



2014

BSA Limited
Annual Report



One of the Riser No. 5 pipework modules being lifted into position prior to installation at the new Royal Adelaide Hospital Project.

CONTENTS

Triple 'M' Mechanical NSW completed the \$20M mechanical installation at the Park Lane project in late June 2014. Comprising of three buildings with a total of 805 apartments, Park Lane was part of the redevelopment of the old Carlton United Brewery site in Sydney's inner city suburb of Ultimo.



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Entrance foyer for the new Swinburne University Advanced Manufacturing Centre building in Melbourne, Victoria.

KEY HIGHLIGHTS

\$492 million

Revenue

\$10.7 million

EBITDA loss

\$54.8 million

Net loss after tax



Ross Johnston
CHAIRMAN

For BSA Limited (BSA), 2014 presented a year of challenges and opportunities. Whilst we have experienced significant challenges in each of our markets, and announced a number of write downs and provisions in our results, we have taken the opportunity to implement a number of key changes, which are now bearing fruit. We are seeing the business improve and we anticipate further improvements in the coming months. This expectation is bolstered by a healthy Technical Design and Construction Projects (TDCP) Forward Order Book of \$250 million along with Technical Maintenance Services (TMS) and Technical Field Force Solutions (TFFS) ongoing annuity based contracts of \$250 million per annum.

BSA has built a strong forward workload despite the underlying market challenges.

Within the 2014 financial year, BSA appointed a new Managing Director and Chief Executive Officer (CEO), Nicholas Yates, and a new Chief Financial Officer (CFO), Nick Benson. The Board is confident that this new, strengthened Executive team will be able to lead the Group through the next phase of development.

Nicholas Yates has a wealth of construction and contracting experience and has been charged with a mandate to assess all business operations, improve operational review and controls, identify areas across the Company where operating expenses can be reduced and increase the focus on cross-business-unit and business to business promotion.

Nick Benson is an experienced CFO, with a strong construction and contracting background. Nick has initially been focused on improving operational controls and processes, particularly across contract management and financial areas of the business as well as enhancing working capital management and reducing net debt.

A detailed review of our results is provided within the Managing Director's report; however the key highlights are as follows:

- Revenue \$492 million (2013: \$474 million);
- EBITDA \$10.7 million loss (2013: \$12.8 million profit);
- Net loss after tax \$54.8 million (2013: \$3.8 million net profit);
- Non-cash goodwill impairment \$40.0 million (2013: nil);
- Operating cash inflow \$5.6 million (2013: \$16.5 million outflow);
- Basic loss per share of 23.97 cents (2013: earnings per share of 1.64 cents);
- Net debt reduced by \$13.9 million in the second half, to \$18.8 million (2013: \$20.5 million); and
- Nil final dividend was declared.

It should be highlighted that our full year results are somewhat skewed by the provisions and write downs taken primarily in the first half and \$40.0 million non-cash goodwill impairment in the year. Detailed commentary of our second half results is outlined within the Managing Director's report.

Technical Design and Construction Projects (TDCP) has continued works on a number of major projects, including the new Royal Adelaide Hospital and the Charles Perkins Centre in Sydney. Whilst the TDCP full year results have been affected by provisions and write downs announced mainly in the first half, legacy contract issues are now largely coming to an end and stronger project commercial controls have been implemented.

Technical Field Force Solutions (TFFS) successfully mobilised the extended Foxtel/Austar contract into regional areas of Australia and has sourced additional business with Optus, via a three year contract to provide further installation and maintenance services for this long-standing customer of BSA's heritage business.

Now in its third year as a stand-alone Business Unit, Technical Maintenance Services (TMS) has been awarded a number of notable maintenance contracts across the retail, education and health markets, including Harvey Norman and Monash University.

BSA's continued investment in workplace health and safety has been rewarded with significant reductions in all reportable incidents across the Group, and BSA continues to track towards best practice in this key area.

The Board has resolved not to pay a final dividend for FY14. Our decision to pay a dividend is made in every period and this will be reviewed in FY15.

BSA has been fortunate to enjoy a strong relationship with our financiers, and this has enabled us to navigate through issues that have arisen throughout 2014. We look forward to this continued support as BSA moves forward through our next period of development.

I would like to thank my fellow Directors for their contribution to BSA and for their support during the year.

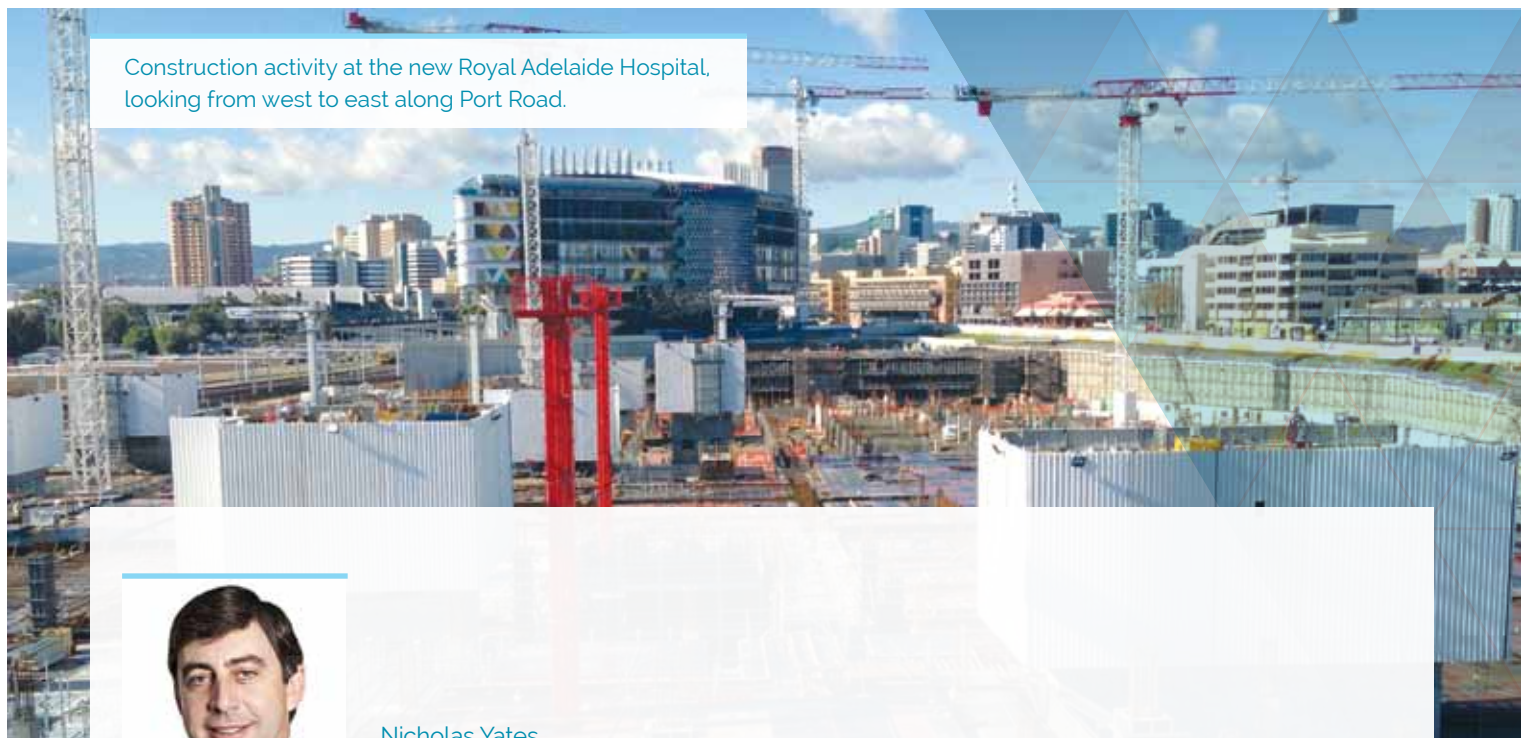
Despite the considerable challenges faced throughout FY14, our staff and Executive team have again shown their commitment to our customers and shareholders. On behalf of the Board, thank you.



Ross Johnston
Chairman

22 September 2014

Construction activity at the new Royal Adelaide Hospital, looking from west to east along Port Road.



Nicholas Yates
Managing Director and
Chief Executive Officer

OPERATIONAL AND FINANCIAL HIGHLIGHTS AND OUTLOOK

Despite the difficult conditions experienced across all of the markets in which BSA operates, BSA's revenue increased to \$492 million (2013:\$474 million), and the Group has managed to build a strong forward workload in all Business Units for FY15 and future years.

Although the revenue increased in the year, the loss before interest, taxes, impairment, depreciation and amortisation (EBITDA) was \$10.7 million (2013: profit \$12.8 million) and the net loss after tax for the year was \$54.8 million (2013: profit \$3.8 million). This statutory loss was predominantly due to the non-recurring provisions and project profit reductions of \$24.2 million taken during FY14, relating largely to completed projects, as well as a non-cash goodwill impairment of \$40.0 million. EBITDA in H2 returned to profit of \$3.1 million after recognising further project provisions and write downs of \$3.9 million relating to projects tendered in prior periods.

Goodwill has been assessed based on value-in-use calculations, using discounted future cash flows. In light of the performance of the business over the last 24 months, and considering the current market capitalisation of BSA, the Board has resolved to write down the carrying value of goodwill in the three divisions of the business by a total of \$40.0 million. This impairment is non-cash and does not affect the business fundamentals or the future improving and positive outlook for FY15 and beyond.

We are pleased to report a reduction in net debt to \$18.8 million (2013: \$20.5 million) which includes a second half net debt reduction of \$13.9 million. This significant improvement in cash management resulted in net operating cash inflows of \$5.6 million (2013: cash outflows of \$16.5 million) in the year.

As previously noted, BSA's full year results for FY14 have been affected by the write downs, non-recurring provisions and project profit reductions announced largely as part of our first half results. The positive results in H2 reflect immediate action taken by management across all Business Units during the second half to enhance margins and improve the net debt. Specifically, our second half EBITDA result was \$3.1 million profit (H1: \$13.8 million loss) after one off items of \$3.9 million. Net operating cash inflows of \$16.1 million in H2 led to a reduction in net debt of \$13.9 million to \$18.8 million in the six months from 31 December 2013.

Strategic operational improvements such as enhanced bid review processes, embedding of contractual benchmarks, a tightening of project and contract controls and review mechanisms, along with on-going Group-wide efficiency and cost reduction initiatives will continue into 2015 to ensure BSA's results maintain their current upward trend.

BSA has continued to enjoy the on-going support of our financiers, and we have extended key banking facilities with an increased capacity to match future working capital requirements. We have extended our term debt facilities to 31 March 2016 and enhanced flexibility within the current arrangements with the creation of a \$17 million multi-option facility (\$11 million at 30 June 2014). This facility includes the previously announced overdraft facility which is on track for repayment by December 2014.

The key operational improvements, net debt reduction and banking arrangements outlined have been undertaken with an objective of providing a stable platform for the future growth and development for BSA Limited.

The Directors have not declared a final dividend for 2014.

GROWTH

BSA enters FY15 with a strong Forward Order Book of \$250 million (TDCP) and committed annuity based contracts of \$250 million per annum (TMS and TFFS). To ensure we continue to build upon this committed forward workload pipeline, we have strengthened existing business development processes to add discipline and rigour to our extensive market opportunities, including regular formal marketing and business promotion sessions within each Business Unit with an initial goal of further defining our target market areas and identifying key customers and businesses within those areas.

We have achieved a sound forward workload for Technical Design and Construction Projects (TDCP) and portfolio diversification within the business remains a priority. The business has continued to focus on organic growth, extracting greater earnings, optimising working capital, and strengthening project controls.

Technical Field Force Solutions extended its metropolitan contract with Foxtel to 2017, and simultaneously gained a contract to complete 100% of the regional work following Foxtel's acquisition of Austar. With this transition now complete, TFFS has turned its attention to increasing work orders and platforms with existing customers, and continuing research into new market opportunities.

Technical Maintenance Services (TMS) has emerged as one of Australia's leading Heating, Ventilation, Air Conditioning (HVAC) and Fire services maintenance businesses, and is now a major provider to Tier 1 customers such as Harvey Norman, Monash University and CBRE. In a highly cost competitive market, this Business Unit has focussed on differentiation through customer value adding benefits such as online access to service control and asset management systems, and we see these features as vital to future success and client satisfaction.

NSW OFFICE OF STATE REVENUE (OSR)

BSA has previously advised the market about a possible payroll-tax related liability with the NSW Office of State Revenue (OSR). BSA has continued, along with our legal representatives, to constructively work with the OSR to ensure an equitable and timely conclusion to this matter. BSA has a provision in its FY14 accounts of \$2.0 million (FY13 \$2.0 million) and at this time there is no further information that would suggest this provision should be changed.

HEALTH, SAFETY, SECURITY, ENVIRONMENT AND QUALITY

BSA's ongoing commitment to workplace health and safety has delivered substantial improvements across all key indicators over the last three years including a reduction of 48% in Lost Time Incident Frequency Rate (LTIFR), a 50% reduction in Total Reportable Incident Frequency Rate (TRIFR) and 78% reduction in our Lost Days Frequency Rate (LDFR). BSA's commitment to delivering robust improvement programs provides a safer workplace for our people.

Underpinning the work, health and safety culture as well as operational improvement programs has been the development and

implementation of the BSA Integrated Management System (IMS) which has focused on enhancing consistency and compliance across the Group. The IMS achieved third party accreditation for Safety, Quality and Environment in March 2014.

BSA's unwavering drive to ensure that our staff arrive home safely every night will continue in FY15, and we look forward to seeing further reductions across all of our key indicators in this vital field.

COMMUNITY SUPPORT

During FY14, BSA, its subsidiaries and its employees, contributed to a number of charity fundraisers including the Rural Fire Service, Everyday Hero, Adopt a Family appeal, the South Newcastle Rugby League Football Club "Sleepy's Day" and the World's Greatest Shave.

We also continued our longstanding partnership with Youngcare, a not-for-profit foundation that provides age appropriate accommodation to young Australians with high-care needs. Youngcare assists young people to find supported accommodation outside aged care and nursing home environments. The recent construction of Youngcare's new Sydney apartments (located in Auburn) will deliver self-contained apartments for young people with severe and profound disabilities.

GENDER DIVERSITY

BSA is committed to providing a workplace for all employees that is free from discrimination, harassment and bullying. BSA provides a working environment that promotes diversity and encourages all employees to reach their potential.

BSA has a commitment to diversity that ensures the elimination of discrimination against people based on gender, ethnic group, political or religious affiliation or disabilities. The over-arching principle applied at BSA is that the most suitable person for a job is employed where there is an existing vacancy.

Current staff summary:

	Percentage of Employment	
	Female	Male
Board	0%	100%
Senior Executive	9%	91%
Senior Management	0%	100%
Managers	6%	94%
Professionals	7%	93%
Technicians and Trades	2%	98%
Administration	62%	38%
Labourers	4%	96%
Others	12%	88%

BSA is also committed to recruiting, training and retaining talented future leaders, with apprentice and trainee employees making up 8.3% of our workforce.

One of the Riser No. 6 pipework modules being positioned in the riser shaft prior to installation at the new Royal Adelaide Hospital Project.



TECHNICAL DESIGN AND CONSTRUCTION PROJECTS (TDCP)

Technical Design and Construction Projects (TDCP), including Group Companies BSA, Allstaff Airconditioning and Triple 'M', continue to be major providers of heating, ventilation, air conditioning (HVAC) and Fire Protection Services in all mainland states and territories, despite operating in a sometimes challenging market that has seen the failure of a number of our competitors.

The TDCP EBITDA result was impacted by the take up of non-recurring project provisions and write downs in the year. The projects at the heart of these issues are largely completed, and enhanced bid gate processes, embedding of corporate contractual benchmarks along with additional project controls, strengthened project delivery processes and formal reviews have been put in place in order to protect the Business Unit from experiencing these issues in the future.

The 2014 financial year saw the resolution of a number of outstanding claims for variations and modifications on existing TDCP projects. As outlined above, corporate contractual benchmarks have been embedded within the Business Unit. This ensures that any contract that falls outside these benchmarks or standard clauses will be subject to rigorous negotiation and risk mitigation strategies.

Our offering of a complete in-house facility for design, engineering, fabrication, installation, commissioning and service, and our work with specialist subcontractors, has allowed the Group to compete on a wide variety of projects and has resulted in TDCP being awarded some of the largest HVAC and Fire Protection contracts in Australia.

FY14 has seen the TDCP Business Unit undertake works on landmark projects including:

- New Royal Adelaide Hospital (completion due April 2016)
- Indooroopilly Shopping Centre in Queensland (completed July 2014)
- Park Lane (mixed use residential and retail towers) in Sydney (completed April 2014)

- Charles Perkins Centre in Sydney (Mechanical and Fire) (completed February 2014)
- Fiona Stanley Hospital in Perth (completed December 2013)

TDCP commences FY15 with a healthy forward order book of \$250 million and have recently been awarded the following projects:

- Wagga Wagga Hospital
- Dubbo Hospital
- 5 Martin Place in Sydney
- Royal Victorian Eye and Ear Hospital Stage 2 works
- Eastland Shopping Centre in Melbourne
- Werribee Shopping Centre in Victoria
- IKEA Marsden Park in Sydney
- Pacific Fair Redevelopment on the Gold Coast
- Old Treasury Building in Perth
- Barangaroo in Sydney (Fire Services JV with Premier Fire)
- Kings Square 2 and 3 in Perth

The new Royal Adelaide Hospital (nRAH) is Australia's first fully integrated 6D Building Information Modeling (BIM) project. The BSA scope as the Tier One Mechanical Services Contractor includes the documentation and construction of Mechanical, Infrastructure and Essential Services, and being the lead BIM Coordinator for all services within a BIM MEP Aus national standard environment.

The nRAH project has a number of significant and as yet unapproved variations which are the subject of ongoing negotiations. They will be submitted for payment in the normal course of carrying out the subcontract. Despite this, work on nRAH is progressing well and the working relationship is excellent.

With the Triple 'M' Companies celebrating 20 years in business in 2014 and Allstaff achieving 40 years in Victoria in 2015, our business model strategy has seen longevity and continued growth within a diverse market. This can be directly attributed to our loyal and dedicated workforce.



One of the 64 Level One Mechanical Services Ring Main modules arriving on site at the new Royal Adelaide Hospital Project.

TDCP

\$234.4 million

Revenue

[2013: \$249.7 million]

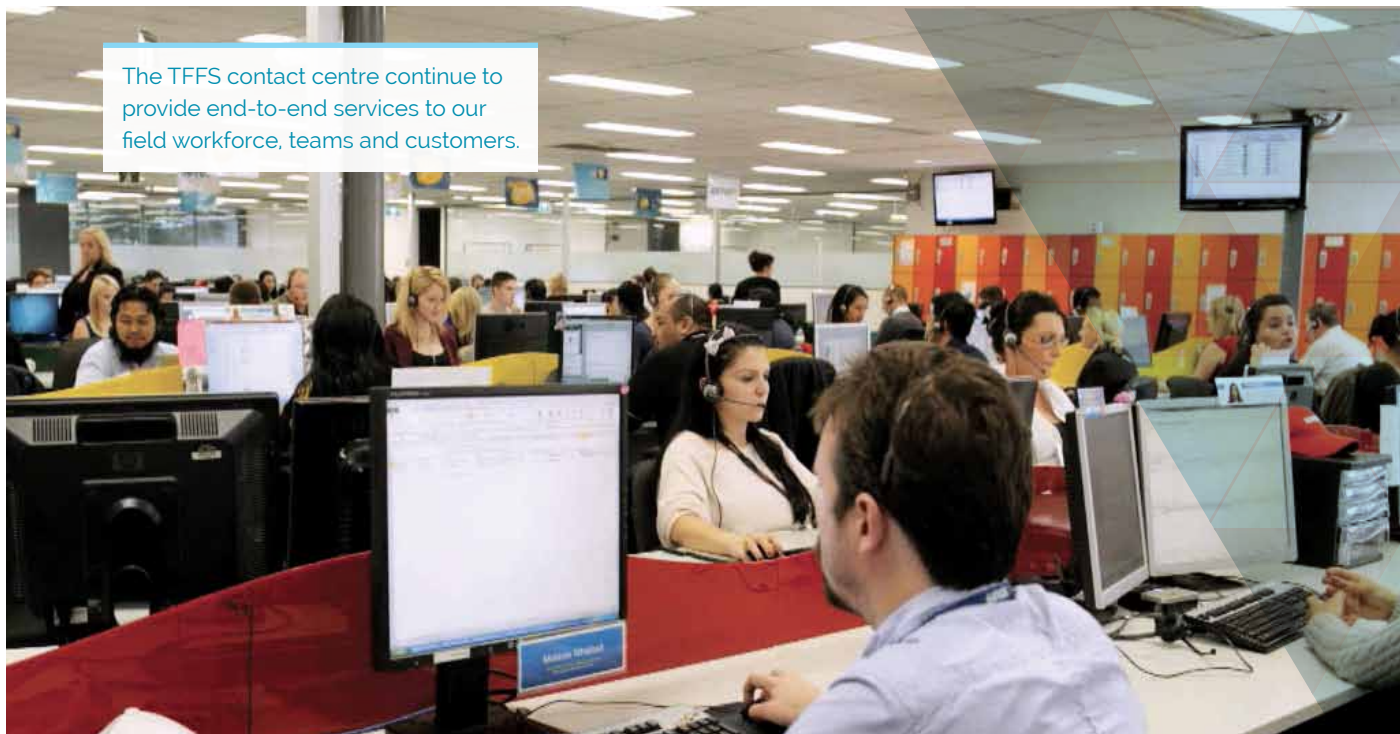
\$12.4 million

EBIDTA loss

[2013: \$6.0 million profit]

NB: Excludes Corporate Recharges and impairment

The TFFS contact centre continue to provide end-to-end services to our field workforce, teams and customers.



TECHNICAL FIELD FORCE SOLUTIONS (TFFS)

The Technical Field Force Solutions Business Unit had another successful year in 2014; completing approximately 600,000 installations, upgrades and service calls across Australia, as the Business Unit continues to position itself as a leader in high volume ticket of work order management.

TFFS had a positive EBITDA of \$3.6 million which was affected by \$1.5 million mobilisation costs of key new contracts which extend to 2017. As reported in last year's Annual Report, as a result of Foxtel's acquisition of Austar, and following a formal tender process, TFFS was awarded a contract to complete 100% of all regional works (along with an extension of our metropolitan works through to 2017). In November 2013, TFFS successfully completed its field work force transition into regional Australia. This move has increased the Business Unit's footprint across Australia in its provision of installation and maintenance services to Foxtel.

In December 2013, after 15 years, our long term relationship with one of Australia's largest telecommunications providers, Optus, grew even stronger. TFFS was awarded a contract with Optus to deliver Hybrid Fibre Coax (HFC), Unconditioned Local Loop (ULL) and National Broadband Network (NBN) Installation, Maintenance and Service Assurance services for Consumer, Wholesale and Optus Business customers for a term of 3 years.

In February 2014, TFFS successfully completed our contract with the Department of Broadband, Communication and the Digital Economy to provide services to convert customers under the Household Assistance Scheme (HAS) and Satellite Subsidy Scheme (SSS) to

digital television. The HAS provided practical and technical in-home assistance to vulnerable Australians who may otherwise have difficulty converting to digital television.

BSA's Registered Training Organisation, BSA Advanced Learning (BAL), continues to grow, providing training to over 2,000 students this financial year. A new General Manager with extensive education organisation experience has been appointed to this expanding business. Over the next 12 months, focus will shift to growing and diversifying revenue streams for this business, with an emphasis on online training courses.

BSA was represented by BAL on the Western Sydney Vocational Training Committee and had the opportunity to provide a representative to sit on selection panels for Apprentice and Trainee of the Year for Western Sydney.

BAL Management has also assisted the Industry Skills Council in the development of competencies in telecommunications, specifically for NBN works and has participated in workshops conducted for the amalgamation of the Telecommunications and IT Training Packages.

TFFS has invested significant time and resources into a number of information technology (IT) development based initiatives, which have resulted in improvements to operational efficiency. These initiatives include:

- Contracting Company On-Boarding/Compliance Portal
- Optus Project Infinity System - to manage Optus workflows and processes
- Project Growth – to allow business efficiencies with contracting companies
- Contracting Company Work Management System

The Optus Management team filming an informative video as part of their tender for the Optus contract.



TFFS

\$158.9 million

Revenue

[2013: \$134.8 million]

\$3.6 million

EBIDTA

[2013: \$5.1 million]

NB: Excludes Corporate Recharges and impairment

TECHNICAL MAINTENANCE SERVICES (TMS)

Technical Maintenance Services increased revenue by 9.7% to \$98.5 million (2013: \$89.8 million) in 2014. This increase was achieved despite a downturn of activity in our minor projects operations, particularly in the resources sector.

TMS had a positive EBITDA of \$3.1 million despite being affected by a number of project write downs and provisions in FY14 of \$1.5 million. TMS has now completed these legacy projects and has strengthened the controls and procedures around project management.

During FY14 TMS was awarded a number of contracts, including:

- Harvey Norman National Multi-Services
- Monash University Maintenance Contracts
- Maintenance Services at Gold Coast University Hospital

On the back of these contract wins TMS has also been expanding our national capabilities in both Fire and Electrical Maintenance Services.

Whilst our maintenance work bid pipeline is increasing, price competition remains tight, so we have focused on improving value adding solutions for our clients – which we see as key to the success of future TMS bids. We have continued to enhance our mobility systems by expanding features such as customer portal reporting, detailed asset level reporting, real-time service records, dashboard reporting, work order management and data capture from the field. Customer feedback about our mobility systems is very positive and this value-add solution provides TMS with a significant market advantage.

IT system activities undertaken within 2014 include:

- Automating and integrating between field technician and customer systems, and BSA Accounting systems, which has increased efficiencies by automating previously manual processes
- Integration of technician timesheets directly into BSA Accounting systems
- Transfer of service call allocation and asset management information directly to and from technician iPads
- Client driven customised call management integration

In response to the FY14 results, TMS management have undertaken a full operational efficiency review. This review, which covered all areas of the TMS Business Unit, aimed to refine business processes, enhance productivity, increase the focus on building a recurring revenue base, and expand services across Fire and Electrical Maintenance markets. A range of initiatives identified throughout this review have been undertaken and will continue throughout 2015. These include initiatives to optimise overhead structures, labour productivity, reduce travel time and focus on less working capital intensive projects.

LOOKING FORWARD

As the new Managing Director and Chief Executive Officer, (appointed in March 2014), I have commenced a full review of all operations for each Business Unit and our Corporate functions with a focus on reducing operating expenses and increasing operational efficiencies across the board. This in-depth Group-wide process will cover all discretionary spend areas, office and facility accommodation, head count and remuneration. It will also include further development in areas where we can improve efficiency by automating manual processes, refining reporting requirements and optimising productivity.

Encouraging market conditions are leading to emerging untapped opportunities across all market sectors. The BSA management team are actioning plans to capitalise on Business Unit capabilities across these sectors. In addition, a strong focus continues on improving margins and optimising working capital and cashflows.



Nicholas Yates
Managing Director and
Chief Executive Officer

22 September 2014

DISCLOSING NON-IFRS FINANCIAL INFORMATION

Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA)

	FY14	H1 FY14	H2 FY14	FY13
	A\$'000	A\$'000	A\$'000	A\$'000
(Loss)/Profit for the year from continuing operations	(54,847)	(23,367)	(31,480)	3,763
Add back				
Income tax benefit	(6,455)	(5,642)	(813)	(965)
Finance costs	2,319	1,098	1,221	1,932
Interest revenue	(94)	(69)	(25)	(357)
Depreciation	6,888	3,441	3,447	7,002
Amortisation expense	1,441	720	721	1,440
Impairment of intangibles	40,000	10,000	30,000	-
EBITDA	(10,748)	(13,819)	3,071	12,815
Total Key Project Provisions and Write Downs	24,222	20,353	3,869	-
EBITDA excluding Key Profit Provisions	13,474	6,354	6,940	12,815



Monash University, New Horizons Building.
The central atrium lets light into the building down through 4 levels.

TMS

\$98.5 million

Revenue

[2013: \$89.8 million]

\$3.1 million

EBIDTA

[2013: \$5.5 million]

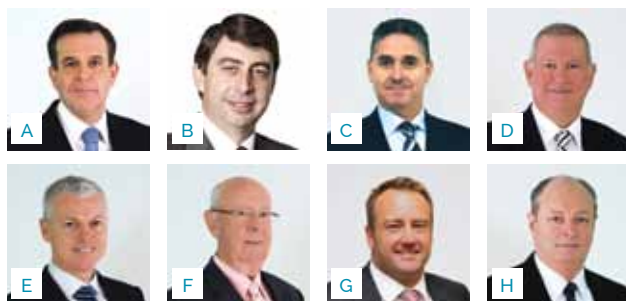
NB: Excludes Corporate Recharges and impairment

DIRECTORS' REPORT

THE BOARD OF DIRECTORS PRESENTS ITS REPORT

The Directors of BSA Limited ('BSA' or the 'Company') present their report on the Company and its subsidiaries for the financial year end 30 June 2014.

THE BOARD OF DIRECTORS



A - ROSS JOHNSTON

CHAIRMAN (NON-EXECUTIVE)

Mr Johnston is an extensively experienced executive in the facilities management and building services industries. Ross was the National General Manager, Property and Facilities and then the Chief Executive Officer, Spotless Australian Services, the Australian arm of Spotless Group Limited. Ross worked both internationally and domestically with Lend Lease for fifteen years. Ross has a focus on strategic development and brings his skills in building and repositioning major businesses to BSA. Ross joined the Board on 29 April 2008 and was appointed as Chairman from that date.

B - NICHOLAS YATES

MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER

Mr Yates graduated with a Bachelor of Engineering (Mechanical) from the University of Sydney and went on to forge an extensive career in the construction, building services and facilities management industries. Commencing as a site engineer overseeing mechanical services installations, Nicholas then progressed through various management roles within Lend Lease and eventually moved on to become CEO of APP Corporation Pty Limited, Australia's leading Construction Project Management consulting business. When APP was acquired by Transfield Services, Nicholas moved into a series of leadership roles within Transfield Services, most recently Chief Executive Officer, Infrastructure ANZ. Nicholas sits on the Boards of a number of private companies and was appointed Managing Director and Chief Executive Officer of BSA Limited on 11 March 2014.

C - MICHAEL GIVONI

NON-EXECUTIVE DIRECTOR

Mr Givoni has had extensive executive experience in the business-to-business (B2B) areas of commerce. His particular area of expertise is in Strategy, Business Development and Mergers and Acquisitions. Michael has held senior executive roles in listed companies including Spotless Group Ltd. Prior to his executive career, Michael was a partner in a prominent Melbourne legal practice.

Michael joined BSA as a Non-Executive Director on 23 March 2005. He holds a number of other Non-Executive Director and Advisory Board roles in prominent privately owned businesses.

D - PAUL TEISSEIRE

NON-EXECUTIVE DIRECTOR

Mr Teisseire is a professional independent Non-Executive Director. He spent over 20 years in private practices as a corporate lawyer specialising in business and corporate law with a special interest in corporate governance. He is a Non-Executive Director of Drake Supermarkets Pty Ltd. Within the last three years, Paul was a Non-Executive Director of Gunns Limited and Mesbon China Nylon Limited. Paul was appointed as a Non-Executive Director on 23 March 2005.

E - MARK LOWE

NON-EXECUTIVE DIRECTOR

Mr Lowe was appointed as a Director of BSA on 1 August 2007 upon completion of the acquisition of the Triple 'M' Group. Mark brings a wealth of knowledge to the Company from his 30 years' experience in the installation and maintenance of Air Conditioning and Fire Protection Services. He is a former Director of Construction Information Systems Limited (NATSPEC) and a former National President of the Air Conditioning Mechanical Contractors Association of Australia. Following his retirement from executive duties Mark was appointed a Non-Executive Director on 2 March 2012.

F - MAX COWLEY

NON-EXECUTIVE DIRECTOR

Mr Cowley practised as Principal of Chartered Accounting firm E M Cowley & Co for 47 years. His years of corporate and financial experience are extensive. Max is a consultant to WIN Corporation Pty Ltd, Australia's largest regional television network and has been involved with that organisation from its commencement and over the past 35 years. Max is a Director of a number of private companies. Having previously served on the Board of BSA from 2 May 2006 until 27 November 2012, Max was reappointed as a Non-Executive Director on 10 April 2014.

G - DANIEL COLLIS

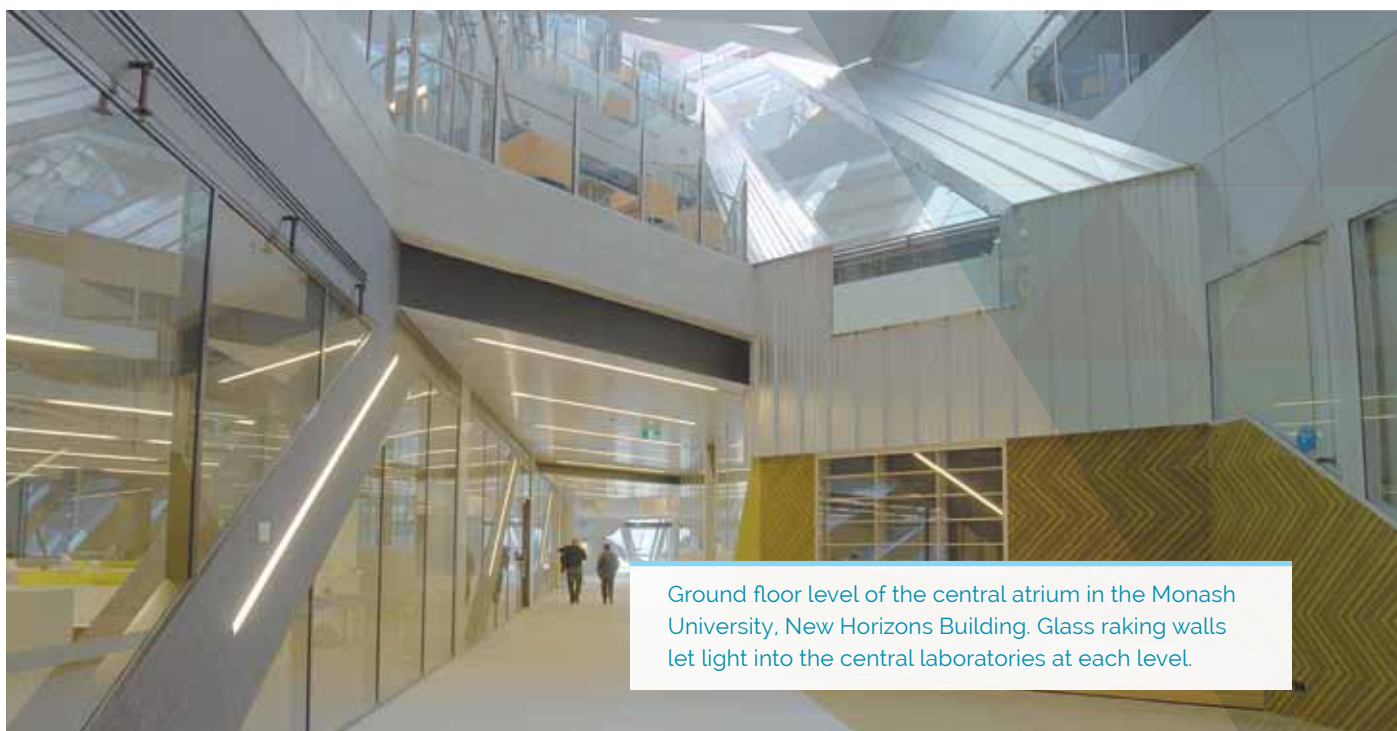
NON-EXECUTIVE DIRECTOR

Mr Collis was appointed to the Board of BSA on 27 November 2012 and represented Birketu Pty Ltd, BSA's largest shareholder, until 10th April 2014 when he retired as Non-Executive Director.

H - STEPHEN NASH

MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER

Mr. Nash was appointed as Managing Director and Chief Executive Officer of BSA on 17th January 2011 and held this position until he retired on 11th March 2014.



Ground floor level of the central atrium in the Monash University, New Horizons Building. Glass raking walls let light into the central laboratories at each level.

DIRECTOR INDEPENDENCE

The Board considers three of BSA's Directors independent, as defined under the guidelines of the ASX Corporate Governance Council, being: Ross Johnston, Paul Teisseire and Michael Givoni.

In assessing the independence of Directors, the Board follows the ASX guidelines as set out in the Corporate Governance Statement within this Annual Report.

PERFORMANCE OF DIRECTORS

In accordance with Principle 2.5 of the ASX Corporate Governance Principles and Recommendations, the Board conducts a review of the performance of its Directors and the Board's function as a whole each year. The evaluation of Directors is carried out in accordance with the process established by the Board, led by the chairman of the Nomination and Remuneration Committee.

COMPANY SECRETARY

The following person held the position of Company Secretary at the end of the financial year:

Mr Graham Seppelt - Mr Seppelt has had extensive experience as a contract accountant and in corporate advisory roles. He is currently Company Secretary for Legend Corporation Limited, Australian Zircon NL and UXA Resources Limited.

ENVIRONMENTAL REGULATION AND PERFORMANCE

BSA was not subject to any particular or significant environmental regulations of the Commonwealth, individual states, or territories, during the financial year.

CORPORATE GOVERNANCE

BSA continued to follow best practice recommendations as set out by the ASX Corporate Governance Council. Where the Company has not followed best practice for any recommendation, explanation is given in the Corporate Governance section in this annual report. Further corporate governance information is available on the Company's web site at www.bsa.com.au/about-bsa.

DIRECTORS' REPORT

INFORMATION ON DIRECTORS

As at 30 June 2014, the following information is provided in relation to Directors:

Director	Special Responsibilities	Ordinary Share	Options	Share Rights
Ross Johnston				
	Chairman Non-Executive Director Chairman of Board Member of Nomination and Remuneration Committee Member of Audit and Compliance Committee	1,209,315	Nil	Nil
Nicholas Yates				
	Executive Director Managing Director and Chief Executive Officer	Nil	Nil	Nil
Max Cowley				
	Non-Executive Director Member of Nomination and Remuneration Committee Member of Audit and Compliance Committee	*63,057,156	Nil	Nil
Michael Givoni				
	Non-Executive Director Chairman of Nomination and Remuneration Committee Member of Audit and Compliance Committee	230,000	Nil	Nil
Paul Teisseire				
	Non-Executive Director Member of Nomination and Remuneration Committee Chairman of Audit and Compliance Committee	404,769	Nil	Nil
Mark Lowe				
	Non-Executive Director Member of Nomination and Remuneration Committee Member of Audit and Compliance Committee	10,315,403	Nil	Nil
Stephen Nash				
	Executive Director (retired 11 March 2014) Managing Director and Chief Executive Officer (retired 11 March 2014)	Nil	Nil	Nil
Daniel Collis				
	Non-Executive Director (retired 10 April 2014) Member of Nomination and Remuneration Committee Member of Audit and Compliance Committee	Nil	Nil	Nil

*Shares owned by Birketu Pty Ltd. Mr Max Cowley is the non-related representative of Birketu Pty Ltd.



Communication between management and workers regarding Workplace Health and Safety continues to be an important factor to TFFS.

DIRECTORSHIPS HELD IN OTHER LISTED ENTITIES

Period of Appointment	Name of Company	Position Held (Non-Executive or Executive Director)
Paul Teisseire		
Appointed March 2008 Resigned 20th July 2012	Gunns Limited	Non-Executive Director and Chairman of the Audit Committee
Appointed September 2007 Resigned 8 November 2012	Mesbon China Nylon Limited	Non-Executive Director Chairman of the Audit and Compliance Committee

REMUNERATION REPORT - AUDITED

This remuneration report details the nature and amount of remuneration for each key management person of BSA Limited.

The Company's policy for determining the nature and amount of emoluments of Board members and Senior Executives of the Company is as follows and is set out under the following main headings:

- A. Principles used to determine the nature and amount of remuneration
- B. Details of remuneration
- C. Service agreements
- D. Cash bonuses
- E. Share-based compensation

The information provided in this remuneration report has been audited as required by section 308(3C) of the Corporations Act 2001.

A PRINCIPLES USED TO DETERMINE THE NATURE AND AMOUNT OF REMUNERATION

The objective of the Group's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with achievement of strategic objectives, the creation of value for shareholders and conforms to market practice for delivery of the reward. The Board ensures that the executive reward satisfies the following key criteria for good reward governance practices:

- Competitiveness and reasonableness;
- Acceptability to shareholders;
- Performance linkage/alignment of executive compensation;
- Transparency; and
- Capital management

In consultation with external remuneration consultants, the Group has structured an executive remuneration framework that is market competitive and complementary to the reward strategy of the organisation.

Alignment to shareholders' interests:

- Has economic profit as a core component of plan design;
- Focuses on sustained growth in shareholder wealth, consisting of dividends and growth in share price, and delivering constant return on assets as well as focusing the executive on key non-financial drivers of value; and
- Attracts and retains high calibre executives.

Alignment to program participants' interests:

- Rewards capability and experience;
- Reflects competitive reward for contribution to growth in shareholder wealth;
- Provides a clear structure for earning rewards; and
- Provides recognition for contribution.

The framework provides a mix of fixed and variable pay as well as a blend of short and long-term incentives. As executives gain seniority within the Group, the balance of this mix shifts to a higher proportion of at risk rewards.

The Board has established a Nomination and Remuneration Committee which provides advice on remuneration and incentive policies and practices, as well as specific recommendations on remuneration packages and other terms of employment for Executive Directors, other Senior Executives and Non-Executive Directors. The Corporate Governance Statement provides further information on the role of this committee.

Non-Executive Directors

Fees and payments to Non-Executive Directors reflect the demands which are made on, and the responsibilities of, the Directors. Non-Executive Directors' fees and payments are reviewed annually by the Board. The Board has also considered the advice of independent remuneration consultants to ensure Non-Executive Directors' fees and payments are appropriate and in line with the market.

The Chairman's fees are determined independently to the fees of Non-Executive Directors based on the Director's experience and comparative roles in the external market. The Chairman is not present at any discussions relating to determination of his own remuneration.

Directors fees

The current base remuneration for Directors was last reviewed on 26 June 2012. Directors' fees are inclusive of superannuation and include the requirement to sit on two or more Board committees for the duration of their tenure. A Director's expected time commitment is between five to ten hours per month. Directors are reimbursed actual expenses or paid a per diem allowance for attendance at the monthly meetings.

Non-Executive Directors' fees are determined within an aggregate Directors' fee pool limit, which is periodically recommended for approval by shareholders. The maximum currently stands at \$600,000 per annum and was last approved by shareholders at the Annual General Meeting (AGM) on 26 November 2007. The following fees have applied:

Base fees including superannuation	
Chairman	\$158,325
Other Non-Executive Directors	\$91,560

Retirement allowances for Directors

Non-Executive Directors do not participate in any share or option incentive plan and there are no retirement schemes or retirement benefits other than statutory benefits for Non-Executive Directors.

Executive Pay

The executive pay and reward framework has three components:

- Base pay and benefits, including superannuation;
- Short-term performance incentives; and
- Long-term incentives through participation in the employee share scheme, employee option plan and performance rights plan.

The combination of these components comprises the executive's total remuneration.

Base Pay

Base pay is structured as a total employment cost package which may be delivered as a combination of cash and prescribed non-financial benefits at the executives' discretion.

Executives are offered a competitive base pay that comprises the fixed component of pay and rewards. Base pay for Senior Executives is reviewed annually to ensure the executive's pay is competitive with the market and meets the responsibilities of the position. An executive's pay is also reviewed on promotion. There are no guaranteed base pay increases included in the Senior Executive terms of employment.

Benefits

Executives receive benefits including allowances.

Retirement benefits

All employees are eligible to participate in the Company's default superannuation fund. With the change in legislation as at 1 July 2005, employees can now exercise choice as to where their superannuation is paid.

Short-Term Incentives

Executive remuneration packages include a bonus based on a combination of the Company achieving a pre-determined profit target and the operational pre-determined target being met. Using a profit target ensures variable reward is only available when value has been created for shareholders and when profit is consistent with the business plan.

Each executive with operational responsibilities has a short-term incentive (STI) depending on the accountabilities of the role and impact on organisation and business unit performance. The maximum target bonus opportunity is 30% of base salary.

For the year ended 30 June 2014, the targets linked to the STI plans were based on the group and individual business objectives. The target achievement required performance in reducing operating cost, increasing revenue and overall increase in EBITDA. The Group targets are generic across the management team.

The Nomination and Remuneration Committee is responsible for assessing whether the targets are met. Targets are set at the beginning of the year and are assessed semi-annually. Short-term bonus payments are adjusted up or down in line with under or over achievement against target performance levels. Because short-term targets cover several operational areas of the business as well as the overall company target, STI may be paid when operational targets are achieved although the Company's overall target may not be met. The STI target annual payment is reviewed annually.

Options

No options were exercised during the year ended 30 June 2014.

No amounts are unpaid on any shares issued on the exercise of options.

All options have expired as at 30 June 2014.

Employee share scheme

A scheme under which shares were issued by the Company to employees for no cash consideration was ratified by shareholders at the 2004 AGM. All permanent employees (including Executive Directors) who were continuously employed by the consolidated entity for a period of at least one year were eligible to participate in the scheme. Employees could elect not to participate in the scheme.

Under the scheme, eligible employees were offered \$1,000 worth of fully-paid ordinary shares in BSA Limited in the Year Ended 30 June 2004 for no cash consideration. The market value of shares issued under the scheme, measured as the weighted average market price on the day of issue of the shares, was recognised in the statement of financial position as share capital and as part of employee benefit costs.

Offers under the scheme are at the discretion of the Company. No offers were made to Directors of BSA Limited or other key management personnel of the Group during the year ended 30 June 2014.

Executives Securities Loan

The establishment of the BSA Executive Securities Plan was approved by shareholders at the 2005 AGM. The plan was established as a mechanism to provide the Company's key executives with a direct equity involvement and incentive in the Company which aligns them with the shareholders.

The number of securities to be offered and the time at which securities may be offered from time to time to executives, and the price and terms of payment shall be determined by the Board in its discretion.

The Board may at such times as it determines invite any executive to be a member of the plan.

If an executive to whom an invitation has been issued forwards to the Company a duly completed Loan Application and the Transfer Documents together with his acceptance, and where appropriate his Application for Shares, then the Company shall, in accordance with the terms of the Loan Agreement, lend to the executive such amount as the executive has applied for in the Loan Application.

The maximum amount of any loan shall be the total subscription price for the shares applied for.

No interest is payable by the Borrower under the Loan Agreement.

All shares are held in escrow until loans are fully repaid. An executive shall not sell, mortgage, charge, assign or otherwise dispose of or encumber any shares before payment or repayment of any amount outstanding to the Company in respect thereof.

Subject to the above restriction and to the terms of the Loan Agreement (if any) deemed to be entered into by the executive, an executive shall from the Date of Allotment, be the absolute beneficial owner of the shares.

Unless the Directors of the Company otherwise provide in the terms of any invitation, all Plan Shares shall rank for dividends declared on or after the Date of Allotment and shall in all respects rank equally with and have the same rights and entitlements as all other fully paid ordinary shares of the Company.

Offers under the scheme are at the discretion of the Company. No offers were made to Directors of BSA Limited or other key management personnel of the Group during the year ended 30 June 2014.

Employee Performance Rights Plan

At the AGM held on 25 November 2008, shareholders approved the introduction of the BSA Employee Performance Rights Plan.

This incentive plan is designed to increase the motivation of eligible key staff and to create a stronger link between increasing shareholder value and employee reward.

To achieve its corporate objectives, the Company needs to attract and retain its key staff. The Board believes that awards made to selected eligible employees under the proposed plan will:

- Provide an incentive for the creation of, and focus on, shareholder wealth;
- Enable the Company to recruit and retain the talented people needed to achieve the Company's business objectives;
- Link the reward of key staff with the achievement of strategic goals and the performance of the Company;
- Align the financial interests of participants in the plan with those of Company shareholders; and
- Ensure the remuneration packages of employees are consistent with market practice.

As part of the Company's strategy, the Board wishes to be in a position to offer rights to acquire shares in the company to selected eligible employees who, in the opinion of the Board, are able by virtue of their skill and their application in performing their allocated tasks within the Company to improve shareholder wealth.

The flexibility of the plan rules will enable the Board to design grants that best meet the particular circumstances.

The Board is cognisant that long-term equity-based reward for key staff should be linked to the achievement by the Company of testing performance hurdles.

Rights granted to certain plan participants in each grant will be at zero vesting value and will be subject to the following performance conditions as determined by the Board:

- (i) Service condition of two to three years; or
- (ii) The Company's performance as measured by earnings per share (EPS), being the EPS for the relevant Measurement Period as determined by the Board having regard to the financial statements. Certain growth in EPS for the shares must be attained in respect of each Measurement Period and pro-rata in respect of the initial Measurement Period and service condition of three years.

The Company must achieve these performance conditions before the rights vest.

Once rights have been exercised by an eligible employee (subject to performance conditions being met), the Company may make non-refundable contributions to either fund the purchase of a new plan share, or to acquire on the ASX existing shares and transfer these to an eligible employee.

The specific terms of a particular grant, including any performance conditions, will be contained in the invitation and associated documentation sent to the eligible employee.

A right granted to a participant is not transferable and may not otherwise be dealt with, except with the Board's approval, or by operation of law on death or legal incapacity.

Rights to acquire shares will not be exercisable until the end of the final measurement period, and until those rights have satisfied all vesting conditions and all performance hurdles established by the Board. This is subject to a number of exceptions (including death, cessation of employment, takeovers and schemes of arrangement). The rights will have a specified life determined by the Board. All grants of rights will have a life terminating five (5) years after the grant date or such other date as determined by the Board.

The Board will prescribe the date when performance under the hurdle is measured for each tranche.

On or after the end of the final measurement period and provided any performance hurdle prescribed by the Board has been achieved and, where applicable, to the extent it has been achieved, the plan participant may then acquire shares by exercising the rights.

A right lapses if the vesting conditions are not met.

There is a Board policy in relation to the person limiting exposure to risk in relation to the securities issued as part of the remuneration.

There was no new issue of rights in the current year.

B DETAILS OF REMUNERATION

Details of the remuneration of the Directors, the key management personnel of the Group (as defined in AASB 124 Related Party Disclosures) and specified executives of BSA and the BSA Group are set out in the following tables.

The key management personnel of the Group are the following:

- (i) Chairman - Non-Executive
Ross Johnston
- (ii) Executive Directors
Stephen Nash (Resigned 11 March 2014)
Nicholas Yates (Appointed 11 March 2014)
- (iii) Non-Executive Directors
Paul Teisseire
Michael Givoni
Max Cowley (Appointed 10 April 2014)
Mark Lowe
Daniel Collis (Resigned 10 April 2014)
- (iv) Other key management personnel
Karl Nixon (Chief Financial Officer Resigned 5 July 2013)
Nicholas Benson (Chief Financial Officer
Appointed 1 October 2013)

DIRECTORS' REPORT

Key management personnel of the Company and the Group

2014 Name	Short-term Benefits			Post Employment	Long-term Benefits		Share-based payments		Total	Performance Related
	Cash, Salary & Fees	Cash Bonus	Interest Unwind on Loans	Superannuation	Long Service Leave	Termination Benefits	Rights	Rights		
	\$	\$	\$	\$	\$	\$	\$	%	\$	%
Non-Executive Directors										
Ross Johnston	150,230	-	-	8,095	-	-	-	-	158,325	-
Paul Teisseire	83,790	-	-	7,770	-	-	-	-	91,560	-
Michael Givoni	84,000	-	-	7,770	-	-	-	-	91,770	-
Max Cowley (Appointed 10 April 2014)	15,184	-	-	1,405	-	-	-	-	16,589	-
Mark Lowe	106,000	-	-	9,620	-	-	-	-	115,620	-
Daniel Collis (Resigned 10 April 2014)	65,138	-	-	6,040	-	-	-	-	71,178	-
Sub-total Non-Executive Directors	504,342	-	-	40,700	-	-	-	-	545,042	
Executive Director										
Stephen Nash (Resigned 11 March 2014)	373,012	-	-	48,652	(20,637)	194,465	-	-	595,492	-
Nicolas Yates (Appointed 11 March 2014)	168,515	-	-	10,692	4,314	-	-	-	183,521	-
Other Key Management Personnel										
Karl Nixon (Resigned 5 July 2013)	18,388	-	-	1,923	(25,244)	179,451	-	-	174,518	-
Nicholas Benson (Appointed 1 October 2013)	237,076	-	-	17,692	5,254	-	-	-	260,022	-
Total compensation	1,301,333	-	-	119,659	(36,313)	373,916	-	-	1,758,595	

2013 Name	Short-term Benefits			Post Employment	Long-term Benefits	Share-based payments			Total	Performance Related
	Cash, Salary & Fees	Cash Bonus	Interest Unwind on Loans	Superannuation	Long Service Leave	Termination Benefits	Rights	Rights		
	\$	\$	\$	\$	\$	\$	\$	%	\$	%
Non-Executive Directors										
Ross Johnston	148,993	-	-	9,653	-	-	-	-	158,646	-
Paul Teisseire	84,000	-	-	7,560	-	-	-	-	91,560	-
Michael Givoni	83,862	-	-	7,547	-	-	-	-	91,409	-
Max Cowley (Retired 30 October 2012)	25,707	-	-	2,314	-	-	-	-	28,021	-
Mark Lowe	83,862	-	-	7,547	-	-	-	-	91,409	-
Daniel Collis (Appointed 27 November 2012)	49,921	-	-	4,493	-	-	-	-	54,414	-
Sub-total Non-Executive Directors	476,345	-	-	39,114	-	-	-	-	515,459	
Executive Director										
Stephen Nash	504,749	-	-	45,427	8,651	-	(66,063)	(13.41)	492,764	(13.41)
Other Key Management Personnel										
Karl Nixon	318,442	-	-	25,000	5,795	-	(59,287)	(20.45)	289,950	(20.45)
Total compensation	1,299,536	-	-	109,541	14,446	-	(125,350)		1,298,173	

DIRECTORS' REPORT

Performance Income as a Proportion of Total Remuneration

Executive Directors and executives are paid performance based bonuses based on set monetary figures, rather than proportions of their salary. This has led to the proportions of remuneration related to performance varying between individuals. The Nomination and Remuneration Committee has set these bonuses to encourage achievement of specific goals that have been given a high level of importance to the future growth and profitability of the consolidated Group.

The Nomination and Remuneration Committee will review the performance bonuses to gauge their effectiveness against achievement of the set goals, and adjust future years' incentives as they see fit, to ensure use of the most cost effective and efficient methods.

C SERVICE AGREEMENTS

On appointment to the Board, all Non-Executive Directors enter into a service agreement with the Company in the form of a letter of appointment. The letter summarises the Board policies and terms, including compensation, relevant to the office of Director.

Remuneration and other terms of employment for the Managing Director and the other key management personnel are also formalised in service agreements. Each of these agreements provide for the provision of performance-related cash bonuses, other benefits, car allowances, and participation, when eligible, in the BSA Limited Option Plan and the BSA Performance Rights Plan. Other major provisions of the agreements relating to remuneration are set out below.

All contracts with executives may be terminated early by either party with three to six months notice.

D CASH BONUSES

Key management personnel and executives are entitled to a short-term cash incentive based on performance criteria described in section A to this Remuneration Report. Details of these FY14 short-term incentives recognised as remuneration, forfeited or available for vesting in future financial years is outlined below.

Name	Included in Remuneration	% Vested in current year	% Forfeited in current year
Other key management personnel (Group)			
Stephen Nash	-	-	100



Exhaust fume stacks installed on the Monash University, New Horizons Building. There were 150 fume cupboards installed on this project.

E SHARE-BASED COMPENSATION

Executives Securities Plan

Set out below are summaries of securities held in escrow:

Grant Date	Issue Price (cents)	Balance at Start of the Year Number	Granted During the Year Number	Released from Escrow During the Year Based on Full Loan Repayment Number	Balance in Escrow at End of the Year Number
Consolidated and parent entity					
13 Oct 2006	0.23	700,000	-	-	700,000
19 Jul 2007	0.63	1,600,000	-	-	1,600,000
11 Sep 2007	0.68	150,000	-	-	150,000
13 Sep 2007	0.68	200,000	-	-	200,000
14 Dec 2007	0.68	400,000	-	-	400,000
10 Feb 2009	0.10	1,700,000	-	-	1,700,000
Total		4,750,000	-	-	4,750,000

DIRECTORS' REPORT

Employee Performance Rights Plan

Set out below are summaries of Rights issued to key management personnel under the plan:

Name	Grant Date	Exercise Date	Expiry Date	Balance at Start of the Year Number	Granted During the Year Number	Released from Escrow during the Year Number	Forfeited During the Year Number	Balance in Escrow at End of the Year Number	Fair Value per Right at Grant Date \$	Aggregate Fair Value \$
Consolidated and parent entity										
Karl Nixon	29 Sep 2009	29 Sep 2012	29 Sep 2014	454,000	-	-	(454,000)	-	0.160	-
Karl Nixon	24 Aug 2010	24 Aug 2013	24 Aug 2015	454,000	-	-	(454,000)	-	0.195	-
Stephen Nash	15 Nov 2011	15 Nov 2014	15 Nov 2016	1,360,000	-	-	(1,360,000)	-	0.190	-
Karl Nixon	15 Nov 2011	15 Nov 2014	15 Nov 2016	613,000	-	-	(613,000)	-	0.190	-
Total				2,881,000	-	-	(2,881,000)	-		-

Rights are granted over ordinary shares and nil is payable on exercise.

REMUNERATION CONSULTANTS

The Board and Remuneration Committee engaged KPMG as an independent remuneration consultant to provide remuneration advice and information to the Board during the year. KPMG was engaged independent of management to assist the Board using an agreed set of protocols that would be followed by KPMG, members of the Remuneration Committee and members of the key management personnel for the way in which remuneration recommendations would be developed by KPMG and provided to the Board. These arrangements were implemented to ensure that KPMG would be able to carry out its work, including information capture and the formation of its recommendations, free from undue influence by members of the key management personnel about whom the recommendations may relate. The Board undertook its own inquiries and review of the processes and procedures followed by KPMG and is satisfied that their remuneration recommendations were made free from such undue influence. The Board and Remuneration Committee confirm that KPMG made remuneration recommendations within the meaning of the Corporations Act. The total consideration paid by the company to KPMG for the provision of the remuneration recommendations in the 2014 financial year was \$9,000 (2013: \$9,000).

In the 2014 financial year KPMG also provided other non-remuneration related consultancy services to the company. The total consideration paid by the company to KPMG for these other services was \$142,000 (2013: Nil).

End of Audited Remuneration Report

MEETINGS OF DIRECTORS

The number of meetings of BSA's Board of Directors and each Board committee held during the year ended 30 June 2014, and the number of meetings attended by each Director were:

	Board Meetings		Audit and Compliance Committee Meetings		Nomination and Remuneration Committee Meetings	
	Meetings Attended	Meetings Held during tenure in FY14	Meetings Attended	Meetings Held during tenure in FY14	Meetings Attended	Meetings Held during tenure in FY14
Ross Johnston	30	31	11	11	5	5
Stephen Nash	25	26	*	*	*	*
Max Cowley	3	3	1	1	1	1
Michael Givoni	27	31	11	11	5	5
Paul Teisseire	29	31	11	11	3	5
Mark Lowe	30	31	10	11	5	5
Daniel Collis	24	28	9	10	2	4
Nicholas Yates	5	5	*	*	*	*

*Not a member of the relevant committee, but invited to attend the Audit and Remuneration Committee meetings

RETIREMENT, ELECTION AND CONTINUATION IN OFFICE OF DIRECTORS

Directors are subject to retirement by rotation and election by shareholders at a general meeting. No Director, other than the Managing Director, may remain on the Board for more than three years without re-election. Where a Director is appointed during the year, the Director will hold office until the next Annual General Meeting (AGM), and then be eligible for election.

Michael Givoni and Paul Teisseire are Directors who have been in office for three years and who, being eligible, offer themselves for re-election. Max Cowley is a Director elected during the year and, being eligible, offers himself for election.

INDEMNIFYING OFFICERS OR AUDITORS

During the year, the Company paid a premium for a contract insuring all Directors, secretaries, Executive officers and officers of the Company, and of each related body corporate of the Company. The insurance does not provide cover for the independent auditors of the Company, or of a related body corporate of the Company.

In accordance with usual commercial practice, the insurance contract prohibits disclosure of details of the nature of the liabilities covered by the insurance, the limit of indemnity and the amount of the premium paid under the contract.

No liability has arisen under this indemnity as at the date of this report.

OPTIONS

As at the date of this report, there were no unissued ordinary shares of the Company under option.

During the year ended 30 June 2014, no ordinary shares of the Company were issued on the exercise of options granted under the BSA Limited Employee Option Plan. No further shares have been issued since that date. No amounts are unpaid on any of the shares.

RIGHTS

As at the date of this report, the unissued ordinary shares of the Company, under right, are as follows:

Grant Date	Date of Expiry	Exercise Price	Number under Right
29 Sep 2009	24 Sept 2014	\$0.00	454,000
24 Aug 2010	24 Aug 2015	\$0.00	454,000
14 Nov 2011	24 Nov 2016	\$0.00	1,049,000
			1,957,000

During the year ended 30 June 2014, 725,467 ordinary shares of the Company were issued on the exercise of rights granted under the BSA Limited Employee Performance Rights Plan relating to FY11. No further shares have been issued since that date. No amounts are unpaid on any of the shares.

No person entitled to exercise the right had, or has, any right by virtue of the right to participate in any share issue of any other body corporate.



24 cylinder reciprocating diesel fired engine in one of the two Mega Watt capacity Cogeneration Plants at the new Royal Adelaide Hospital Project

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied to the court under section 237 of the Corporations Act 2001 (Cth) for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all, or part, of those proceedings.

No proceedings have been brought or intervened on behalf of the Company with leave of the court under section 237 of the Corporations Act 2001 (Cth).

NON AUDIT SERVICES

The Company may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Company and/or Group are important.

Details of the amounts paid or payable to the auditor (Deloitte Touche Tohmatsu) for audit and non-audit services during the year are set out below.

The Board of Directors has considered the position and in accordance with the advice received from the audit committee, is satisfied that the provision of non-audit services by the auditor, as set out below, did not compromise the auditor independence requirements of the Corporations Act 2001 (Cth) for the following reasons:

- All non-audit services have been reviewed by the Audit Committee to ensure they do not impact the impartiality and objectivity of the auditor; and
- None of the services undermine the general principles relating to auditor independence as set out in Professional Statement APES 110 Code of Ethics for Professional Accountants, including reviewing or auditing the auditors own work, acting in a management or a decision making capacity for the Company, acting as advocate for the Company or jointly sharing economic risk and rewards.

AUDITORS' REMUNERATION

	2014	2013
	\$	\$
Amounts due for the financial year to Deloitte Touche Tohmatsu for:		
Auditing or reviewing the financial report	531,300	302,430
Taxation services	327,929	219,419
Other non-audit services	14,000	48,136

AUDITORS INDEPENDENCE DECLARATION

The lead auditors' independence declaration for the year ended 30 June 2014 as required under section 307c of the Corporations Act 2001 (Cth) has been received and can be found on page 42 of this report.

ROUNDING OF AMOUNTS

The Company is an entity to which ASIC Class Order 98/100 applies. Accordingly, amounts in the Financial Statements and Directors' Report have been rounded to the nearest thousand dollars.

Signed in accordance with a resolution of the Board of Directors.

Ross Johnston
Chairman

22 September 2014



Technical Field Force Solutions continue to conduct mandatory Workplace Health and Safety audits with all contracting companies.

The Company, through its Board and Executives, recognises the need to establish and maintain corporate governance policies and practices, which reflect the requirements of the market regulators and participants, and the expectations of members and others who deal with the Company.

These policies and practices remain under constant review as the corporate governance environment and good practice evolve.

This statement outlines the Company's system of governance during the financial year and the extent of the Company's compliance, as at the end of the financial year, by reference to the second edition of the ASX Corporate Governance Principles and Recommendations with 2010 Amendments and to the Corporations Act 2001 (Cth).

As at the date of publication, the Company complies with the recommendations in all respects, other than the requirement for the majority of the Directors of the Company to be independent, and the recommendation that there be two separate committees for remuneration and nomination. Further, in undertaking a review of the Company's current practices, the Company has established a new Code of Conduct, a Whistleblowing Policy, and a Diversity Policy which sets out the diversity targets against which the Company will report. The Company did not meet its targets for female representation set in the last financial year. However, the Company has increased its total percentage of female representation, and has been assessed by the Workplace Gender Equality Agency as compliant with the Workplace Gender Equality Act 2012. Corporate governance documentation including charters and relevant corporate policies and codes referred to in this statement can be found on the www.bsa.com.au website.

CORPORATE GOVERNANCE STATEMENT

PRINCIPLE 1

LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT

1.1 Functions of Board and Management

- **Strategy and direction**
 - Setting policies regarding the Company's overall strategic direction, and plans for each of the Company's Business Units, key business and financial objectives; and
 - Approving any significant acquisitions or disposals of assets, and significant expenditure.
- **Financial controls, compliance and risk management**
 - Approving annual operating and capital expenditure budgets;
 - Monitoring and approving financial statements and published reports, including the Directors' Report and the Corporate Governance Statement;
 - Approving any significant changes in accounting policies or procedures; and
 - Reviewing the effectiveness of the internal control systems and risk management processes, and compliance with statutory and regulatory obligations which, if not complied with, would have a material effect on the Company's business.
- **Capital and debt structure**
 - Approving any changes to the Company's debt and capital structure including any reductions in share capital, buy backs, or issue of new securities.
- **Appointments**
 - Appointing Directors to the Board, following a review by the Nomination and Remuneration Committee;
 - Appointing and reviewing the performance of the Managing Director against objectives set by the Board;
 - Approving the Boards of subsidiary companies; and
 - Appointing the Company Secretary.
- **Delegation of authority**
 - Approving any changes to the membership or charter of any committee of the Board; and
 - Determining the scope of authority delegated to the Managing Director, the Chief Financial Officer, or other Executive Management team members.

- **Policies**
 - Approving significant policies for the Company including the Code of Conduct, security trading policies for Directors and Senior Executives, health and safety policies, risk management policies, and continuous disclosure and communications policies.
- **Corporate governance matters**
 - Determining the independence of Non-Executive Directors;
 - Taking into account the recommendations of the Nomination and Remuneration Committee in determining the remuneration of Non-Executive Directors;
 - Determining the resolutions and documentation to be put to members in general meetings; and
 - Approving announcements and press releases concerning matters decided by the Board, including announcements relating to the operating performance of the Company.

The Board has delegated a number of responsibilities to its Committees. The role and responsibilities of these Committees are explained later in this statement. Directors may attend any Committee meetings. The Board receives copies of the minutes of all the Committee meetings.

Day-to-day management of the business and operations of the Company is delegated by the Board to management through the Managing Director, subject to the agreed authority limits. The Board has delegated, to management, responsibility for:

- **Strategy** – development of strategies and the making of recommendations to the Board on such strategies;
- **Management** – management and performance of the Company in accordance with the strategy, business plans and policies approved by the Board;
- **Financial performance** – developing the Company's annual budget, managing day-to-day operational and capital expenditure, and ensuring that the Financial Reports present a true and fair view of the Company's financial condition, and are in accordance with the relevant accounting standards;
- **Risk management** – establishing and maintaining effective risk management frameworks and internal control systems;
- **Continuous disclosure** – keeping the Board and the market fully informed about material developments; and
- **Selection of senior management** – making recommendations for the appointment of senior management, determining terms of appointment, and evaluating performance and development of senior management.

1.2 Process for Evaluating the Performance of Senior Executives

The Company has an established process of objective setting and performance review of all staff.

Senior Executives have defined objectives which are agreed at the commencement of each financial year. Their performance against these objectives is assessed annually, in addition to regular feedback during the performance period. The potential future development of the Executive is discussed, together with any training required to assist in achieving the development objectives and progression within the Company.

In the case of the Senior Executives (including the Managing Director), an assessment of their performance is undertaken by the Nomination and Remuneration Committee and the Board.

In addition to the induction program provided to new employees, new members of the Executive Management team undertake an induction program customised to their needs. This typically includes one on one meetings with every member of the Executive Management team, and visits to major sites. Senior Executives and senior managers also participate in training sessions on key topics of relevance such as changes in corporate governance standards, legislation, and compliance.

1.3 Performance Evaluation

It is our policy that, each member of the Executive Management team, including the Managing Director, is subject to a performance review as described in 1.2 above.

PRINCIPLE 2

STRUCTURE THE BOARD TO ADD VALUE

The membership of the Board is reviewed by the full Board, from time to time, having regard to the ongoing needs of the Company and the Company's Constitution. It is the policy of the Board that its membership should reflect an appropriate balance between Executive members possessing extensive direct experience and expertise in the business activities of the Company, and Non-Executive members who bring to the Board a broad range of general commercial expertise, experience and qualifications.

The Group's objective is that the Board should be of a size and composition that is conducive to effective decision making, with the benefit of a variety of perspectives and skills and in the interests of the Company.

The appointment of a new member to the Board is made after consultation with the Nomination and Remuneration Committee and the Board. New Directors are initially appointed by the full Board and must then submit themselves to election by members of the Company at the Annual General Meeting (AGM) following their appointment.

On 4 November 2013, the Company announced that Mr Stephen Nash would retire his position as Managing/Executive Director of the Board. On 14 January 2014, the Company announced that Mr Nicholas Yates would assume the position of Managing/Executive Director, on 11 March 2014. On 10 April 2014, the Company announced that Mr Daniel Collis would retire his position as a Non-Executive Director of the Board, from that date and that Mr Max Cowley would assume the position of a Non-Executive Director.

Board renewal and succession planning is part of the Company's overall governance program and the Company remains committed to a Board which includes a mix of Non-Executive members who have outstanding track records and reputations at the highest levels of business and commerce generally.

The Company has undertaken a review of its practices on diversity. This has included an assessment of the relevant policies to codify the Company's position on diversity; and, in particular, the targets from which the Company will report against. Further information on how the Company is currently addressing the issue of diversity is contained in section 3 of this statement.

CORPORATE GOVERNANCE STATEMENT

2.1 Independent Directors

The composition of the Board is set out in the table below:

Name	Position	Independent
Ross Johnston	Chair/Non-Executive Director	Yes
Nicholas Yates ⁽¹⁾	Managing/Executive Director	No
Stephen Nash ⁽²⁾	Managing/Executive Director	No
Michael Givoni	Non-Executive Director	Yes
Paul Teisseire	Non-Executive Director	Yes
Mark Lowe	Non-Executive Director	No
Daniel Collis ⁽³⁾	Non-Executive Director	No
Max Cowley ⁽⁴⁾	Non-Executive Director	No

(1) Mr Yates was appointed to the Board on 11 March 2014.

(2) Mr Nash retired his position on the Board on 11 March 2014.

(3) Mr Collis retired his position on the Board on 10 April 2014.

(4) Mr Cowley was appointed to the Board on 10 April 2014.

Biographies of the Directors are included in the section on the Board of Directors in this Annual Report.

The Board currently has six members. Of these, three are independent Non-Executive Directors. These Directors are considered by the Board to be independent of management and free of any business or other relationship, or any other circumstance that could materially interfere with the exercise of objective, unfettered or independent judgment.

The Board considers that it should include significant representation by Directors who are capable and willing to make decisions which are in the best interests of members, free from interests and influences which conflict with that duty, and are also independent of management.

The Board continually assesses the independence of each Director in accordance with the interests they have disclosed, and such other factors as the Board determines are appropriate.

In making this determination, the Board is seeking to assess whether Directors are:

- Independent of management;
- Free of any business or other relationship that could materially interfere or be perceived to materially interfere with their unfettered and independent judgment; and
- Capable of making decisions without bias and which are in the best interests of all members.

A Non-Executive Director will not be regarded as an independent director if that Director:

- Is a substantial shareholder of the Company or an officer of, or otherwise associated directly with, a substantial shareholder of the Company;
- Within the last three years has been employed in an Executive capacity by any member of the Company, or been a Director after ceasing to hold any such employment;

- Within the last three years has been a partner or a senior management Executive with audit responsibilities of a firm which has acted in the capacity of statutory auditor of any member of the Company;
- Within the last three years has been a principal, employee or consultant of a material professional adviser to any member of the Company;
- Is a principal, employee or associate of a material supplier to, or material customer of, any member of the Company;
- Has a material contractual relationship with any member of the Company other than as a Director of the Company; and
- Has any interest, or business, or other relationship, which could materially interfere with the Director's ability to act in the best interests of the Company, and independently of management.

As regarding the Non-Executive Directors, applying the criteria set out in the Board Charter, the Board has made the following determinations:

- Mr Daniel Collis⁽¹⁾ is not independent given that he is a Director, and Company Secretary, of the major substantial shareholder in the Company;
- Mr Mark Lowe is not independent (following his resignation as an Executive in March 2012), given his long standing Executive role with the Company;
- Mr Stephen Nash⁽²⁾ is not independent given that his role was that of Managing Director, an Executive Director;
- Mr Nicholas Yates⁽³⁾ is not independent given that his role is that of Managing Director, an Executive Director;
- Mr Max Cowley⁽⁴⁾ is not independent given that he was a Director, and Company Secretary, of the major substantial shareholder in the Company; and
- Mr Ross Johnston, Mr Michael Givoni and Mr Paul Teisseire are all considered to be independent Directors.

(1) Mr Collis retired his position on the Board on 10 April 2014.

(2) Mr Nash retired his position on the Board on 11 March 2014.

(3) Mr Yates was appointed to the Board on 11 March 2014.

(4) Mr Cowley was appointed to the Board on 10 April 2014.

The Board, through the Nomination and Remuneration Committee, has come to the conclusion that whilst 50% of the Board is independent, the balance of skills and experience required for Board members for the size and development of the Company is appropriate. The Board is confident that each Non-Executive Director brings independent judgment to bear on Board decisions.

That conclusion was reached based on the Board's knowledge of the significant contributions made by each Director to the business of the Board, and its Committees. This includes the willingness of the Directors to debate issues openly and constructively and freely express their views and opinions on matters being considered by the Board, including occasions where those views are contrary to those expressed by the Executive Directors and management.

Each Non-Executive Director has signed a letter of appointment which, amongst other things, places an onus on each independent Director to promptly and fully disclose to the Board any matter or circumstance which may impact on their status as an independent Director, or the likely perception of their status, as an independent member of the Board. Where the Board concludes that a Director has lost their status as an independent Director, that determination will be advised to the market.

The Nomination and Remuneration Committee's Charter discloses a process for selection and appointment of new Directors and re-election of incumbent Directors. The role and responsibilities of the Nomination and Remuneration Committee are set out later in this statement.

2.2 Chair and Independence

The ASX Corporate Governance Council recommends that listed companies should have an independent Director as Chair, and that the roles of Chair and Chief Executive Officer should not be held by the same person.

Mr Ross Johnston is considered to be independent by the Board, having regard to the guidelines for independence.

2.3 Nomination and Remuneration Committee

The Board has appointed a combined Nomination and Remuneration Committee, with the two distinct roles, having regard to the size and requirements of the Company.

The objective of the Nomination and Remuneration Committee is to support and advise the Board in relation to the identification, selection, recommendation and appointment, of the Board, the Directors and the Senior Executives, as well as the ongoing evaluation and review of their performance. It is also responsible for the general remuneration, recruitment and termination policies and practices.

The members of the Committee are set out in the Directors' Report.

The Board recognises the ASX's recommendation that the Nomination and Remuneration Committee should be chaired by an independent Director. Mr Michael Givoni is an independent Director.

The Committee met during the financial year, per the details set out in the Directors' Report. The Executive Directors may be invited to attend Nomination and Remuneration Committee discussions.

The functions undertaken by the Committee in discharging their responsibilities include:

- Assessing the skills of current Board members against the collective skill set required by the Board to competently discharge the Board's duties, having regard to the strategic direction of the Company;
- Regularly reviewing and making recommendations to the Board regarding the structure, size, diversity and composition (including the balance of skills, knowledge and experience) of the Board; and reviewing the effectiveness of the Board as a whole, and continually reviewing the leadership needs of the Company, both Executive and Non-Executive;

- Identifying suitable candidates (Executive and Non-Executive) to fill Board vacancies as and when they arise, and nominating candidates for approval of the Board;
- Annually reviewing the performance of the Board; and
- Ensuring the existence of proper succession planning processes and plans for the Board.

No member of the Committee will participate in a review of their own performance or re-appointment.

The Nomination and Remuneration Committee Charter, as approved by the Board, appears in the corporate governance section of the www.bsa.com.au website.

Recommendations regarding future appointment of additional Directors will be made by the Nomination and Remuneration Committee, and considered by the Board, having regard to:

- The assessment made on the skill set required to discharge the responsibilities of the Board, compared with the skills currently represented on the Board;
- The current strategic direction of the Company, and the consequent need to consider skills which may be required in the future; and
- The suitability of available candidates, identified in the context of a detailed description of the role and capabilities required, for a particular appointment.

Recommendations made by the Nomination and Remuneration Committee will be considered by the Board, which retains an unfettered discretion on the appointment of a Director to fill a casual vacancy or act as an additional Director, prior to the formal election of that Director, by the members of the Company at a General Meeting.

Upon appointment, a new Director undertakes an induction program specifically designed to their needs, to assist in familiarising them with issues relating to the current business before the Board.

New Board members are provided with the opportunity to experience the operations of the Company, and to meet and discuss all aspects of the Company's operations with key members of Executive Management. As part of the induction program, access is provided to information in areas such as; operations, finance, treasury, and risk management, to assist the new Board member as required.

Directors are able to take independent professional advice, and are required to make that advice available to the other Directors. Directors are encouraged to direct any enquiries or requests for additional information to the Company Secretary, who will facilitate a response to the query and/or provide the Director with the requested information.

CORPORATE GOVERNANCE STATEMENT

On an ongoing basis, Directors are provided with periodic updates on legal and corporate developments, particularly those pertaining to matters relating to the responsibilities of boards and directors generally, health and safety, changes to the Corporations Act 2001 (Cth), corporate governance principles, tax and accounting developments, and other matters of interest. Management conducts regular briefing sessions to the Board and Board Committees on operational, financial, treasury, legal, and tax issues of relevance to the Board.

The Company Secretary is appointed and removed by the Board.

The Company Secretary works with the Chair, the Board and the Board Committees on all governance related issues. All Directors have access to the Company Secretary for the purpose of obtaining information or advice. The Company Secretary may also retain the services of independent advisory bodies, if requested by the Board or Board Committees. The office of the Company Secretary is responsible for the systems and processes that enable the Board to perform its role, and also provides secretariat services for each of the Board Committees. The Committee agendas, papers and minutes are available to all members of the Board.

The Board undertakes ongoing self-assessment and review of its performance, and of the performance of the Board Committees. The Board is committed to transparency in assessing the performance of the Board.

PRINCIPLE 3

PROMOTE ETHICAL AND RESPONSIBLE DECISION-MAKING

3.1 Code of Conduct

Compliance Manual

As part of the Company's ongoing commitment to high standards of ethical conduct, the Company is committed to continually developing a Compliance Manual which provides detailed guidance to employees on the current laws applicable in the jurisdiction in which they work, the standards of conduct, and the procedures to be adopted to comply with those laws. The Compliance Manual has been supplemented by seminars and information memoranda to help employees understand the legal requirements with which the Company must comply.

The Compliance Manual deals with issues such as:

- Workplace health and safety;
- Australian Consumer Law;
- Employment;
- Privacy;
- Anti-discrimination, equal opportunity and bullying;
- Environmental compliance;
- Corporations Act 2001 (Cth) and ASX Listing Rules requirements; and
- Complaints handling procedures.

The Company has provided a number of such seminars to date, and encourages education on these core principles.

Company Values

The conduct of all Company employees is governed by a set of fundamental principles to which employees are expected to adhere to when dealing with other employees, clients, contractors, members, and the community.

These core values require Company employees, at all times, to conduct themselves having regard to the following:

- The **Safety** and wellbeing of our staff is non negotiable:
We will not harm our people;
- Talented and committed **People** are the heart of our business:
The retention and development of our staff is a business imperative;
- We will conduct ourselves with the highest **Integrity**:
Uphold integrity in everything we say and do;
- **Teamwork** is the foundation for success:
Working as one across all business units to achieve success;
- **Respect** for our fellow workers is essential:
Treat everyone as you would expect to be treated;
- We will be **Innovative** and create our own future:
We will continue to strive to evolve our people and our technology; and
- Our **Reputation** is paramount:
We will ensure our decisions and behaviour enhances the reputation of BSA.

In adhering to those values, the Company and its employees will achieve the following:

- Creation of an environment that motivates and allows employees to contribute and develop;
- Honest, just and fair management in all dealings;
- Meeting the commitments of the Company;
- Examination of ways to continually improve processes in a manner which adds value;
- Providing members with superior returns on a sustainable basis;
- Constantly seek new opportunities and pursue sound growth and earning opportunities;
- Conducting all activities in a safe and environmentally responsible manner;
- Contributing expertise and resources to promote positive interaction between all members of the community; and
- Being a leading corporate citizen.

Employee Code of Conduct

The core principles of the BSA Group are supplemented by the Code of Conduct which is provided to all employees at the time of joining the Company, and which deals, in broad terms, with the following matters:

- The high standards of personal conduct and ethical behaviour expected of all employees;
- The duty of employees to avoid conflicts of interest which may arise if the employee or any person or entity associated with that employee has a business arrangement or relationship with the Company outside their normal employment relationship;
- The duty of employees to maintain confidentiality with respect to the Company's information and information provided by our contractors and clients;
- The duty of employees to avoid discrimination against any person; and
- The Company's policy prohibiting harassment in any form.

The Code of Conduct, which is provided to, and acknowledged by, all employees who join the Company, is reviewed on a regular basis to ensure it remains current and relevant. Compliance seminars to update senior management on changes to legal requirements and procedures are conducted on a regular basis, and all senior managers are required to pass this information on to their staff. Senior managers are required to attend and formally acknowledge their understanding and compliance.

It is the responsibility of each Director and employee to understand the Company values, Code of Conduct, and other policies applicable to them and to bring to the attention of senior management any conduct or activities which may be in breach of those policies, so that a proper investigation can be conducted.

Serious breaches of these policies must be reported immediately, either via a Whistleblower Service Hotline, or to the Managing Director, the Chief Financial Officer, or the General Counsel, for investigation, in accordance with the Company's policies. Where appropriate, the police or other regulatory authority will be informed.

Complaints are treated in a confidential manner. No action of any kind will be taken against an employee, adviser or contractor who, in good faith, makes an allegation against the Company, any employee, adviser or contractor, whether or not that complaint is confirmed by subsequent investigation.

Whistleblower Policy

Having regard to the above, the Company has implemented a Whistleblowing Policy which forms an integral part of the Company's compliance program. The policy will be adopted to ensure that concerns regarding unethical, unlawful or improper conduct may be raised without fear of reprisal.

- Under the policy, the Company has appointed a Whistleblower Protection Officer. Employees will be encouraged to report any genuine matter, or behaviour, that they honestly believe contravenes the Code of Conduct, policies, or the law. Such matters may include any actual or suspected:

- Conduct or practices which are illegal;
- Corrupt activities;
- Theft or fraud;
- Misleading or deceptive conduct of any kind; or
- Harm to public health or safety, or the health or safety of any employee.

The Company has now implemented a Whistleblower Program and an external Whistleblower Hotline Service, whereby actions that are unethical, unlawful or improper can be dealt with in a formal manner.

The Company will investigate all reported concerns appropriately, and will, where applicable, provide feedback regarding the investigation's outcome. The Company will take any necessary action in response to a report, and where no action is taken an explanation will be provided.

A report will be provided to the Audit and Compliance Committee, summarising the whistleblower activities for the preceding six month period.

3.2 Diversity

As noted at section 2 above, the Board has undertaken a review and assessment of its current practices, including how the Board and the Nomination and Remuneration Committee presently take into account the diversity criteria when identifying and assessing potential Director candidates and members of senior management.

The Company has implemented a Diversity Policy which expressly incorporates the diversity targets against which the Company will report, and which the Board and Committee will consider in relation to their objectives and responsibilities.

CORPORATE GOVERNANCE STATEMENT

The Company values an inclusive culture where all people are able to succeed to the best of their ability. These principles also guide our employees' conduct in all their dealings with stakeholders of the Company. Diversity is regarded as a key factor in enabling the Company to attract the broadest range of talent in the market.

Our commitment to diversity requires that we work to ensure an environment which is supportive of equality and access for all our staff to career opportunities, development, remuneration and benefits. Diversity includes but is not limited to gender, age, disability, ethnicity, religion and cultural background. However, the initial emphasis by the Company is on gender diversity with a primary goal being to strengthen the representation of women in management positions.

Women in BSA

The Company recognises that working towards gender diversity and equality is essential to attracting and retaining the best talent in our business. Currently, 17% of the Company's total workforce is female, with 9% representation within the Senior Executive team. In accordance with the Workplace Gender Equality Act 2012 (the Act), the Company has reported on the distribution of gender in the workplace, and has complied with the notification and access requirements.

The Board has considered appropriate targets, having regard to the industry in which the Company operates. Relevantly, the Company has decided to maintain the target it set in the last financial year. Therefore, the Company has set a target of 20% female representation in the senior management of the Company, together with a target of 20% female representation in the senior talent and succession plans, for the next financial year.

The Company will seek to improve each year on the target scores, and employees' views on diversity will be tracked via employee surveys. The Company will also review its progress on diversity against other organisations within this industry.

The Company has established a working group which has reviewed the Act, with the objective of ensuring compliance with the standardised gender equality indicators, minimum standards and reporting requirements and implementing strategies to ensure such compliance. The Company is aware that it must comply with the Act, and, on that basis, will continually revise its practices and policies to ensure it complies with, and reports against, any standardised gender equality indicators and other minimum standards set by the relevant Minister, having regard to the Act.

As part of this process, the Company is committed to achieving the following objectives over the next financial year:

- The Managing Director will develop a three year plan to address diversity targets;
- The establishment of processes in relation to objective setting, co-ordination, monitoring and reporting of diversity measures;
- Implementing an education program focusing on raising awareness of the need for diversity;
- Reviewing the opportunities in non-traditional roles (e.g. construction and project managers) and, where possible and practical, ensuring at least one woman is on the recruitment short list;
- Reviewing the hiring processes with the intention of increasing the representation of a diverse candidate pool; and
- Succession planning reviews with each Senior Executive with a focus on improved diverse representation and career planning for senior positions.

The Company will report against the above objectives. In the past financial year, the Company submitted a compliance report to the Workplace Gender Equality Agency (the Agency). The Agency advised that the Company is compliant with the Act.

Professional development is available for all our employees, with additional emphasis and focus placed on leadership development throughout all levels of our talent pipeline. All employees are provided with opportunities to strengthen their leadership skills and capabilities, and enhance their potential for leadership positions in the future.

The Company's Parental Leave Policy aims to provide employees with sufficient options and choices to enable them to devote time and care to their new or adopted children without disadvantaging their career. Paid parental leave is available to employees based on a sliding scale of entitlement. Employees on parental leave are invited to attend relevant training programs, seminars or conferences to keep them up to date on developments within their area of business and help support their transition back to work.

The Diversity Policy shall be continually reviewed as part of an ongoing commitment to achieving the above objectives, and the standardised gender equality indicators set, in accordance with the Act.

Cultural Diversity

The Company is committed to maintaining and developing mutually beneficial and respectful indigenous partnerships with the industries within which the Company operates, by providing real opportunities in education, training, mentoring and employment to indigenous Australians.

The Company continues to focus on enhancing diversity through a range of strategies at the Board and business levels, which in turn contribute significantly to the Company's business and to achievement of the business values which we have established.

3.3 Security Trading Policy

The Company is committed to promoting knowledge and awareness of the legal, regulatory and governance requirements to which the Company and its employees are subject, including prohibitions against insider trading.

All Directors and employees are subject to Corporations Act 2001 (Cth) restrictions on buying, selling, or subscribing for securities in the Company if they are in possession of price sensitive information which has not been published.

Members of the Board, and certain employees within the Company who have been notified that this policy applies to them, are prohibited from trading in Company securities in certain defined black-out periods, which include periods leading up to an announcement of results. They are encouraged to first obtain written, or email, consent from the Managing Director or Chair before dealing. These people are reminded of their obligations at appropriate times throughout the financial year.

At any other time, any member of the Board dealing in the Company's securities must notify the Company Secretary.

A copy of the Security Trading Policy is available on the www.bsa.com.au website.

A copy of the Company's Security Trading Policy was lodged with the ASX and released to the market on 28 December 2010.

PRINCIPLE 4

SAFEGUARD INTEGRITY IN FINANCIAL REPORTING

4.1 Audit and Compliance

Committee Composition

The Board has established an Audit and Compliance Committee to ensure that an effective internal control framework exists to safeguard the assets of the business, and to ensure the integrity and reliability of financial and management reporting systems.

The composition of the Audit and Compliance Committee is as set out in the Directors' Report, with Mr Paul Teisseire, an independent Director, chairing this Committee.

The Committee met 11 times during the financial year, per the details set out in the Directors' Report.

Audit and Compliance Committee Charter

The Audit and Compliance Committee operates under a charter to enable it to fulfil its corporate governance and monitoring responsibilities by:

- Reviewing the adequacy of, and, where necessary, questioning the action and judgment of management in relation to the Company's half-yearly and annual financial reports prepared for release to members, the ASX, regulators, and to the public;
- Reporting to the Board on the half-year and annual reports and financial statements of the Company;
- Making recommendations regarding the appointment, remuneration, evaluation and removal of the Company's external auditor and reviewing and reporting to the Board on the adequacy, scope and quality of the annual statutory audit and half-year audit review, and on the integrity and reliability of the financial statements;
- Monitoring and reviewing the effectiveness of the Company's internal control environment;
- Monitoring and reviewing the reliability of financial reporting;
- Monitoring and reviewing the compliance of the Company with applicable laws and regulations;
- Monitoring and reviewing the scope and the co-ordination of the external audit functions; and
- Monitoring the adequacy and effectiveness of compliance systems in relation to the legal exposures of the Company.

The Audit and Compliance Committee meets with external auditors at least twice each year (and more frequently if required), to review the adequacy of existing external audit arrangements, and the scope of the audit. The external auditors have a direct line of communication at any time to either the Chair of the Audit and Compliance Committee, or the Chair of the Board.

The Audit and Compliance Committee reports to the Board after each Committee meeting, and the minutes of each Audit and Compliance Committee meeting are included in the Board papers.

The external auditors, the Managing Director and the Chief Financial Officer are invited to attend Audit and Compliance Committee meetings at the discretion of the Committee.

A copy of the Audit and Compliance Committee charter is available on the www.bsa.com.au website.

CORPORATE GOVERNANCE STATEMENT

PRINCIPLE 5

MAKE TIMELY AND BALANCED DISCLOSURE

5.1 Continuous Disclosure Policy

The Company's Continuous Disclosure Policy underlines the Company's commitment to ensuring that the Company's members, and the market, are provided with high quality, relevant and accurate information in a timely manner; and that investors are able to trade in Company securities in a market which is efficient, competitive and informed, as well as ensuring that market participants have an equal opportunity to review and assess information disclosed by the Company. The Company is also committed to complying with continuous disclosure obligations contained in the applicable ASX Listing Rules, and the Corporations Act 2001 (Cth).

The Policy includes a vetting and authorisation process so that all disclosures are factual, do not omit material matters, and are expressed in a clear and objective manner. The Policy also outlines how the Company identifies and distributes information to members and the market generally.

The Continuous Disclosure Policy appears on the www.bsa.com.au website.

PRINCIPLE 6

RESPECT THE RIGHTS OF MEMBERS

6.1 Communications with Members

The Company is committed to providing all members with comprehensive, timely, and equal access to information about its activities, to enable them to make informed investment decisions.

The Company employs a wide range of communication approaches, including direct communications with members, and publication of all relevant company investor information on the www.bsa.com.au website.

The Company uses its corporate website as a means of providing information to members, and the broader investment community. A section of this website is dedicated to BSA's investors. Media releases, investor presentations and interim and full-year financial reports are available for review on the www.bsa.com.au website.

These announcements, presentations and reports are placed on the website immediately after they have been released to the ASX. An archive of announcements, presentations, and reports is retained on the www.bsa.com.au website.

Also available for review on the www.bsa.com.au website are notices of members' meetings, and explanatory documents issued by the Company in respect of those meetings. A copy of the Chair's address to the AGM, the AGM presentation, and the outcome of voting on the items of business, are posted to the website following the AGM.

Members are encouraged to attend the AGM held each year, and to use these opportunities to ask questions and vote on important matters affecting the Company, including the election of Directors, the receipt of annual financial statements, and the advisory vote on the remuneration report. The external auditor attends the AGM and is available to answer questions. Members may appoint proxies electronically through the www.bsa.com.au website, or via mail.

The Company encourages members to access the Annual Report online to assist with the Company's commitment to the environment, as well as being more cost efficient. A printed copy of the Annual Report will only be sent to those members who have made an election to receive it. Otherwise members will be notified when the Annual Report is available to be accessed online at the www.bsa.com.au website.

Members are also encouraged to provide the Company with their email address, so that they can be notified when the Annual Report is available online, and also to be kept updated on other member communications.

The Company works closely with its share registrar to monitor and review the potential to increase the use of electronic means of communicating with its investors.

The Communications Policy is available on the www.bsa.com.au website.

PRINCIPLE 7

RECOGNISE AND MANAGE RISK

7.1 Risk oversight and management and internal control

The entire Board is responsible for monitoring and reviewing the corporate policies for identifying and managing relevant risks associated with the business of the Company, and the adequacy of the Company's practices and procedures in implementing those policies. This involves monitoring and reviewing:

- The Company's policies regarding risk oversight and risk management;
- The appropriateness of the risk management and internal control systems adopted by the Company; and
- The Company's continuing processes for:
 - The identification of material workplace health and safety, financial, legal, and operational risks associated with the conduct of the business of the Company;
 - The maintenance of appropriate internal control systems designed to manage key risk areas;
 - Assessing the above matters in conjunction with management and the external auditors; and
 - Monitoring and reporting against compliance with the risk management policies.

Operating a group of companies undertaking technical and building, including construction related services, inevitably involves risks of various kinds. Furthermore, operating a company which utilises a contractor base involves risks of a different nature, which need to be balanced with the Company's business and management. The Company's objective is to ensure that those business risks are identified and assessed, and that, where it is practical and economical, steps are taken to mitigate the impact of any risk which may eventuate.

The Company regards risk management as an essential element in its management processes, with links to every aspect of the Company's business including health and safety issues in respect of employees, clients, contractors and customers, the construction of sites, and relationships with major clients, contractors, and suppliers.

The Company's approach to risk management involves:

- Pro-actively identifying risk;
- Properly assessing and making informed decisions on risk issues;
- Ensuring that sound risk mitigation and management plans are in place; and
- Reviewing, as part of its regular business processes, the operation and adequacy of its risk management systems and the assumptions which dictate those systems.

Risk management is aimed at managing the level of risk within parameters which are acceptable to the Company, rather than seeking to eliminate all risks. The Company's risk management systems promote the need for informed and measured decision making on risk issues based on a systematic approach to risk identification, assessment, control, and review and reporting.

The Company has developed and implemented a risk profile to operate as a general guide as to identification, assessment, and management of the various risks inherent to the Company's business, from a contractual perspective.

7.2 Management of material business risks

The Board has delegated specific risk related responsibilities to the Managing Director, who, in turn, has delegated these responsibilities to management.

Each Senior Executive, and all managers, are responsible for:

- Assisting in the formulation of all aspects of the risk management process;
- Overseeing the implementation of the Company's policies and procedures by ensuring that all phases of the process of identification, assessment, control, review and reporting are reflected appropriately in the business processes of the Company; and
- Implementing appropriate systems for confirming compliance with all relevant laws, and other regulatory obligations, are complied with.

The Managing Director reports to the Board on the effectiveness of the Company's management of its material risks.

7.3 Managing Director and Chief Financial Officer Assurance

The Managing Director and the Chief Financial Officer are required to confirm in writing to the Board, every half year, that in all material respects:

- The financial statements present a true and fair view;
- That this assertion is founded on a sound system of financial risk management and internal compliance and control which implements the policies adopted by the Board; and
- That the Company's financial risk management and internal compliance and control systems are operating efficiently and effectively in all material respects in relation to financial reporting risks.

This assurance has been given.

PRINCIPLE 8

REMUNERATE FAIRLY AND RESPONSIBLY

The Company's remuneration policy is designed to attract and retain high caliber Directors and Senior Executives, capable of meeting the specific management needs of the Company.

The Company's current remuneration objectives and policies regarding determination of base pay, the short term variable bonus, and long term equity linked incentives, are explained in the Remuneration Report, which forms part of the Directors' Report.

Details of the remuneration of all Directors are set out in the Remuneration Report.

8.1 Nomination and Remuneration Committee

As the Company has a combined Nomination and Remuneration Committee, the composition of the Nomination and Remuneration Committee is as set out in the Directors' Report.

The Board recognises the ASX's recommendation that the Nomination and Remuneration Committee should be chaired by an independent chair and consist of a majority of independent directors. The Chair, Mr Michael Givoni, is independent and the Committee consists of a majority of independent Directors. Mr Mark Lowe is not independent given his long standing Executive role within the Company, and Mr Daniel Collis and Mr Max Cowley are not independent because they were/are Directors and Company Secretaries of the major substantial shareholder in the Company.

The Committee met during the financial year, as set out in the Directors' Report.

The objective of the Committee is to assist the Board in establishing remuneration policies and practices which:

- Enable the Company to attract and retain Executives and Directors who will create sustainable value and returns for members and other stakeholders;
- Fairly and responsibly reward Executives and Directors, having regard to the performance of the Company, the Executive, and the market; and
- Comply with all relevant legislation and regulations including the ASX Listing Rules and the Corporations Act 2001 (Cth).

The Charter of the Nomination and Remuneration Committee may be viewed on the www.bsa.com.au website.

The responsibilities of the Committee include:

- Determining and reviewing remuneration policies to apply to members of the Board, and to Executives within the Company;

- Determining the specific remuneration packages for Executive Directors (including base pay, incentive payments, equity linked plan participation, and other contractual benefits);
- Reviewing contractual rights of termination for members of the Senior Executive team;
- Reviewing and approving the policy for participation by Senior Executives in equity-linked plans;
- Reviewing and approving management's recommendations of the total proposed awards to be issued under each plan; and
- Administering the equity-linked plans as required in accordance with the rules of the plans.

8.2 Structure of Non-Executive Directors' Remuneration

Fees paid to Non-Executive Directors are determined by the Board, within the current maximum aggregate limit set by members of the Company. Current fees and salaries are fully disclosed in the Remuneration Report section of the Directors' Report. Directors' fees are reviewed annually by the Nomination and Remuneration Committee, and by the Board, taking into consideration the level of fees paid to Non-Executive Directors by companies of a similar size and stature.

Non-Executive Directors receive their fees in cash. The Non-Executive Directors do not participate in schemes designed for the remuneration of Executives, nor do they receive options or bonus payments. The gross fee received by Non-Executive Directors is inclusive of any contribution that the Company is obliged to pay pursuant to the superannuation guarantee legislation. There are no retirement schemes or retirement benefits for Non-Executive Directors, other than statutory benefits for Non-Executive Directors.

8.3 Equity Linked Executive Remuneration

The Company has a policy to preclude its Senior Executives from entering into transactions to limit their economic risk from investing in Company shares, options, or rights, where those entitlements are unvested. The Company makes Senior Executives aware of their obligations in relation to financial commitments against shares issued under the Executive securities plan, and has requested that they take sufficient independent, professional advice in relation to their individual financial position. The Company does not provide advice.

In addition to the Corporate Governance Principles and Recommendations, the Company considers that a commitment to workplace health and safety, and the environment, and to privacy, is paramount to a good corporate governance programme.



Heating Hot Water Plantroom serving all levels to Stage 2b of the Olivia Newtown John Cancer and Wellness Centre in Heidelberg, Victoria.

WORKPLACE HEALTH, SAFETY AND ENVIRONMENT

The Company is committed to ensuring the safety and wellbeing of all employees, its clients, customers, and members of the public. To this end, the number one value of the Company is “The safety and wellbeing of our staff is non-negotiable”. The Company provides ongoing training across the organisation, with respect to its legal obligations, and specific training as to operational risks in the field. The Company places great emphasis on carrying out everything it does in a safe manner.

The Company values the environment and recognises the responsibility to protect our surroundings. Operations are managed in an environmentally responsible manner, with an undertaking to:

- Operate in compliance with relevant local environmental legislation and regulations;
- Seek to reduce the energy consumption and waste produced per unit of output;
- Educate our employees, ensuring the requirements for environmental responsibility is integrated into work practices training; and
- Monitor and report on environmental compliance through management to the Board.

PRIVACY

The Company is committed to respecting stakeholders’ rights to privacy, protecting personal information, and complying with the new Australian Privacy Principals.

The Company will treat all personal information with due care, and take reasonable steps to protect such information from loss, misuse, unauthorised access or disclosure.

The Company’s Privacy Policy can be found on the www.bsa.com.au website.

AUDITOR'S INDEPENDENCE DECLARATION

Deloitte.

Deloitte Touche Tohmatsu
ABN: 74 490 121 060

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The Board of Directors
BSA Limited
7 Figtree Drive,
Sydney Olympic Park
NSW 2127

22 September 2014

Dear Board Members

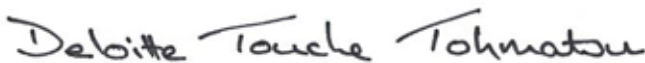
BSA Limited

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of BSA Limited.

As lead audit partner for the audit of the financial statements of BSA Limited for the financial year ended 30 June 2014, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

Yours sincerely



DELOITTE TOUCHE TOHMATSU



David Black
Partner
Chartered Accountants

FINANCIAL REPORT

BSA LIMITED

ABN 50 088 412 748

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CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2014

		Consolidated	
	Note	2014 \$'000	2013 \$'000
Revenue	5	491,512	474,180
Investment revenue	6	94	357
Other gains and losses	7	84	47
Share of profits of joint venture	20	101	-
Changes in inventories of finished goods and work in progress		(506)	2,202
Subcontractor and raw materials used		(424,213)	(390,673)
Employee benefits expense	8	(42,189)	(44,499)
Depreciation expenses	8	(6,888)	(7,002)
Amortisation expenses	8	(1,441)	(1,440)
Impairment of intangibles	8,5,17	(40,000)	-
Occupancy expenses		(6,542)	(6,084)
Finance costs	8	(2,319)	(1,932)
Other expenses	37	(28,995)	(22,358)
(Loss)/Profit before tax		(61,302)	2,798
Income tax benefit	9.1	6,455	965
(Loss)/Profit for the year		(54,847)	3,763
Other comprehensive income for the year, net of tax			
Items that may be reclassified subsequently to profit or loss:			
Net gain/(loss) recognised on cash flow hedges		35	(16)
Total comprehensive income for the year, net of tax		(54,812)	3,747

Earnings per share for profit from continuing operations:

Basic earnings per share	12	(23.97) cents	1.64 cents
Diluted earnings per share	12	(23.97) cents	1.60 cents

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2014

		Consolidated	
	Note	2014 \$'000	2013 \$'000
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	13	5,297	2,009
Trade and other receivables	14	86,403	85,190
Inventories	15	4,696	5,202
Tax assets	9.2	1,483	1,206
TOTAL CURRENT ASSETS		97,879	93,607
NON-CURRENT ASSETS			
Trade and other receivables	14	1,279	1,279
Investment in Joint Venture	20	165	-
Other financial assets	19	3	3
Property, plant & equipment	16	14,819	17,866
Deferred tax assets	9.3	8,564	1,981
Goodwill	17	15,185	55,185
Other intangible assets	18	6,032	7,473
TOTAL NON-CURRENT ASSETS		46,047	83,787
TOTAL ASSETS		143,926	177,394
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	23	78,488	70,532
Borrowings	24	16,068	8,545
Provisions	25	19,738	8,054
TOTAL CURRENT LIABILITIES		114,294	87,131
NON-CURRENT LIABILITIES			
Borrowings	24	8,029	14,008
Provisions	25	1,673	1,218
Other liabilities		-	242
TOTAL NON-CURRENT LIABILITIES		9,702	15,468
TOTAL LIABILITIES		123,996	102,599
NET ASSETS		19,930	74,795
EQUITY			
Issued capital	26	77,797	77,797
Reserves	27 (a)	1,295	1,313
Accumulated losses	27 (b)	(63,024)	(8,177)
Profit reserve	27 (c)	3,862	3,862
TOTAL EQUITY		19,930	74,795

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2014

Consolidated

	Issued Capital \$'000	Accumulated Losses \$'000	Profit Reserve \$'000	Share-based Payment Reserve \$'000	Cash Flow Hedge Reserve \$'000	Total \$'000
Balance at 1 July 2012	77,797	(8,177)	3,532	1,522	(25)	74,649
Profit for the year	-	-	3,763	-	-	3,763
Other comprehensive income for the year	-	-	-	-	(16)	(16)
Total comprehensive income for the year	-	-	3,763	-	(16)	3,747
Share-based payment expense	-	-	-	(129)	-	(129)
Shares issued in satisfaction of performance conditions	-	-	-	(39)	-	(39)
Dividends paid	-	-	(3,433)	-	-	(3,433)
Balance at 30 June 2013	77,797	(8,177)	3,862	1,354	(41)	74,795
Loss for the year	-	(54,847)	-	-	-	(54,847)
Other comprehensive income for the year	-	-	-	-	35	35
Total comprehensive income for the year	-	(54,847)	-	-	35	(54,812)
Share-based payment expense	-	-	-	42	-	42
Shares issued in satisfaction of performance conditions	-	-	-	(95)	-	(95)
Balance at 30 June 2014	77,797	(63,024)	3,862	1,301	(6)	19,930

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2014

	Note	2014 \$'000	2013 \$'000
<i>Consolidated</i>			
Cash Flows From Operating Activities:			
Cash receipts from customers		547,434	511,962
Payments to suppliers and employees		(539,202)	(521,227)
Interest received		94	144
Interest and other costs of finance paid		(2,340)	(1,953)
Income tax received/(paid)		(405)	(5,450)
Net cash generated by/(used in) operating activities	30 (a)	5,581	(16,524)
Cash Flows From Investing Activities:			
Proceeds from disposal of property, plant and equipment		195	422
Payment for businesses		-	(188)
Payment to equity-accounted investment		(165)	-
Payment for plant and equipment		(3,480)	(5,439)
Net cash used in investing activities		(3,450)	(5,205)
Cash Flows From Financing Activities:			
Payment for shares issued for vesting rights		(95)	(39)
Proceeds from borrowings		12,140	10,444
Repayment of borrowings		(8,065)	(5,058)
Repayment of Executive loans		-	4
Payment of finance lease liabilities		(2,823)	(2,914)
Dividends paid to owners of the Company		-	(3,433)
Net cash generated by/(used in) financing activities		1,157	(996)
Net increase/(decrease) in cash		3,288	(22,725)
Cash and cash equivalents at the beginning of the year		2,009	24,734
Cash and cash equivalents at the end of the year	13	5,297	2,009

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014

NOTE 1 GENERAL INFORMATION

BSA Limited (the Company) is a limited company incorporated in Australia. The address of its registered office and principal places of business are disclosed in the Corporate Directory at the end of the Annual Report. The principal activities of the Company and its subsidiaries (the Group) are described in note 29.

NOTE 2 APPLICATION OF NEW AND REVISED ACCOUNTING STANDARDS

2.1 New and revised AASBs affecting amounts reported and/or disclosures in the financial statements

Standard/Interpretation	Effective date (Beginning)	Application Date (Ending)	Comments
AASB 10 'Consolidated Financial Statements' and AASB 2011-7 'Amendments to Australian Accounting Standards arising from the consolidation and Joint Arrangements standards'	1 January 2013	30 June 2014	Requirements for consolidated financial statements. Defines the principles of control.
The adoption of this standard does not have any material impact on the consolidated financial statements.			
AASB 11 'Joint Arrangements' and AASB 2011-7 'Amendments to Australian Accounting Standards arising from the consolidation and Joint Arrangements standards'	1 January 2013	30 June 2014	Replaces AASB 131 Interests in Joint Ventures
The adoption of this standard does not have any material impact on the consolidated financial statements.			
AASB 12 'Disclosure of Interests in Other Entities' and AASB 2011-7 'Amendments to Australian Accounting Standards arising from the consolidation and Joint Arrangements standards'	1 January 2013	30 June 2014	Requires the extensive disclosure of information that enables users of financial statements to evaluate the nature of, and risks associated with, interests in other entities and the effects of those interests on its financial position, financial performance and cash flows.
The adoption of this standard does not have any material impact on the consolidated financial statements.			
AASB 13 'Fair Value Measurement' and related AASB 2011-8 'Amendments to Australian Accounting Standards arising from AASB 13'	1 January 2013	30 June 2014	This AASB defines fair value, provides guidance on how to determine fair value and requires disclosures about fair value measurements. However, AASB 13 does not change the requirements regarding which items should be measured or disclosed at fair value.
The adoption of this standard does not have any material impact on the consolidated financial statements.			
AASB 119 'Employee Benefits (2011)' and AASB 2011-10 'Amendments to Australian Accounting Standards arising from AASB 119 (2011)'	1 January 2013	30 June 2014	An amended version of AASB 119 'Employee Benefits' revises the definition of short-term benefits, which now makes annual leave provision a long-term employee benefit.
The adoption of this amending standard does not have any material impact on the consolidated financial statements.			
AASB 128 'Investments in Associates and Joint Ventures (2011)' and AASB 2011-7 'Amendments to Australian Accounting Standards arising from the consolidation and Joint Arrangements standards'	1 January 2013	30 June 2014	This Standard supersedes AASB 128 'Investments in Associates' and prescribes the accounting for investments in associates and sets out the requirements for the application of the equity method when accounting for investments in associates and joint ventures.
The adoption of this standard does not have any material impact on the consolidated financial statements.			
AASB 2011-4 'Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements'	1 July 2013	30 June 2014	Amends AASB 124 Related Party Disclosures to remove the individual key management personnel (KMP) disclosures required by Australian specific paragraphs.
The adoption of this standard does not have any material impact on the consolidated financial statements.			

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014

NOTE 2 APPLICATION OF NEW AND REVISED ACCOUNTING STANDARDS (CONTINUED)

2.2 Standards and Interpretations on issue not yet adopted

At the date of authorisation of the financial statements, the Standards and Interpretations listed below were on issue but not yet effective.

Standard/Interpretation	Effective date (Beginning)	Application Date (Ending)	Comments
AASB 9 'Financial Instruments'(December 2009) and AASB 2009-11 'Amendments to Australian Accounting Standards arising from AASB 9'	1 January 2017	30 June 2018	Entities early adopting AASB 9 may either adopt AASB 9 (December 2009) or AASB 9 (December 2010) and the relevant amending standards.
AASB 2012-6 'Amendments to Australian Accounting Standards – Mandatory Effective Date of AASB 8 and Transition Disclosure'			
AASB 2013-9 'Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments'			
AASB 9 'Financial Instruments'(December 2010), AASB 2010-7 'Amendments to Australian Accounting Standards arising from AASB 9 (December 2010);	1 January 2017	30 June 2018	Entities early adopting AASB 9 may either adopt AASB 9 (December 2009) or AASB 9 (December 2010) and the relevant amending standards
AASB 2012-6 'Amendments to Australian Accounting Standards – Mandatory Effective Date of AASB 8 and Transition Disclosure'			
AASB 2013-9 'Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments'			
AASB 1031 'Materiality' (2013)	1 January 2014	30 June 2015	Early adoption is not permitted Interim standard that cross-references to other Standards and the Framework (issued December 2013) that contain guidance on materiality.
AASB 2012-3 'Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities'	1 January 2014	30 June 2015	Address inconsistencies in current practice when applying the offsetting criteria in AASB 132 'Financial Instruments: Presentation'.
IFRS 9 Financial Instruments (2014) and all related amendments	1 January 2018	30 June 2019	IFRS 9 introduces new requirements for the classification and measurement of financial assets, hedge accounting and impairment of financial asset. The Directors do not anticipate the application of IFRS 9 to have a material impact on the financial results of the Group.
IFRS 15 Revenue from Contracts with Customers	1 January 2017	30 June 2018	IFRS 15 Revenue from Contracts with Customers outlines a single comprehensive model for entities to use in accounting for revenue from contracts with customers, which will supersede current revenue recognition guidance included in IAS 18 Revenue, IAS 11 Construction Contracts and related Interpretations. The key principle of this standard is that an entity will recognise revenue when it transfers promised goods or services to customers for an amount that reflects its expected consideration. The Standard introduces more prescriptive and detailed implementation guidance than was included in IAS 18, IAS 11, and the related Interpretations. The directors are yet to assess the impact of the application of IFRS 15.

A number of Australian Accounting Standards are on issue but are not effective for the current year end. The reported results and position of the Group are not expected to change on adoption of these pronouncements. Adoption will, however, result in changes to information currently disclosed in the financial statements. The Group does not intend to adopt any of these pronouncements before their effective dates.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014

NOTE 3 SIGNIFICANT ACCOUNTING POLICIES

3.1 Statement of compliance

These financial statements are general purpose financial statements which have been prepared in accordance with the Corporations Act 2001, Accounting Standards and Interpretations, and comply with other requirements of the law.

The financial statements comprise the consolidated financial statements of the Group. For the purposes of preparing consolidated financial statements, the Company is a for-profit entity.

Accounting Standards include Australian Accounting Standards. Compliance with Australian Accounting Standards ensures that the financial statements and notes of the Company and the Group comply with International Financial Reporting Standards (IFRS).

The financial statements were authorised for issue by the Directors on 22 September 2014.

3.2 Going Concern

As at 30 June 2014, the consolidated entity has a deficiency of current net assets of \$16,415,000. Notwithstanding this deficiency, the Directors have concluded that it is appropriate to prepare the financials on a going concern basis based upon:

- current net assets include bank borrowings of \$8,382,000 that are expected to be rolled over at the annual renewal in November 2014. In addition \$5,300,000 of debt relating to quarterly amortisation of term debt is also included in net current assets and is scheduled in current forecasts for repayment in FY15
- significant non-cash project provisions of \$9,260,000 related to legacy issues are included in current net liabilities at 30 June 2014
- forward cash flow projections for the Group
- strong ongoing support by our financiers
- improved trading position and
- strong forward order book.

Note: Tax losses carried forward of \$2,479,000, expected to be offset against taxable profits in FY15, were reported in the Appendix 4E in current tax assets. Under AASB 101 deferred tax assets are required to be reported as non-current assets.

3.3 Basis of preparation

The consolidated financial statements have been prepared on the basis of historical cost, except for certain financial instruments that are measured at revalued amounts or fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair values of the consideration given in exchange for goods and services. All amounts are presented in Australian dollars, unless otherwise noted.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of AASB 2, leasing transactions that are within the scope of AASB 117, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in AASB 2 or value in use in AASB 136.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The Company is a company of the kind referred to in ASIC Class Order 98/0100, dated 10 July 1998, and in accordance with that Class Order amounts in the Financial Report are rounded off to the nearest thousand dollars, unless otherwise indicated.

NOTE 3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.4 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014

NOTE 3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.5 Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value which is calculated as the sum of the acquisition-date fair values of assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity instruments issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

Where applicable, the consideration for the acquisition includes any asset or liability resulting from a contingent consideration arrangement, measured at its acquisition-date fair value. Subsequent changes in such fair values are adjusted against the cost of acquisition where they qualify as measurement period adjustments (see below). All other subsequent changes in the fair value of contingent consideration classified as an asset or liability are accounted for in accordance with relevant Standards. Changes in the fair value of contingent consideration classified as equity are not recognised.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value at the acquisition date, except that:

- Deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements, are recognised and measured in accordance with AASB 112 Income Taxes and AASB 119 Employee Benefits respectively;
- Liabilities or equity instruments related to share-based payment arrangements of the acquiree, or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree, are measured in accordance with AASB 2 'Share-based Payment' at the acquisition date; and
- Assets (or disposal groups) that are classified as held for sale in accordance with AASB 5 Noncurrent Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another Standard.

Where the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or liability is remeasured at subsequent reporting dates in accordance with AASB 139, or AASB 137 'Provisions, Contingent Liabilities and Contingent Assets', as appropriate, with the corresponding gain or loss being recognised in profit or loss.

Where a business combination is achieved in stages, the Group's previously held interests in the acquired entity are remeasured to fair value at the acquisition date (i.e. the date the Group attains control) and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

3.6 Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of the acquisition of the business (see 3.5 above) less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss in the Consolidated Statement of Profit or Loss and Other Comprehensive Income. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

NOTE 3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.7 Interests in Joint Arrangements

Under AASB 11, there are only two types of joint arrangements, joint operations and joint ventures. The classification of joint arrangements under AASB 11 is determined based on the rights and obligations of parties to the joint arrangements by considering the structure, the legal form of the arrangements, the contractual terms agreed by the parties to the arrangement, and, when relevant, other facts and circumstances. A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement (i.e. joint operators) have rights to the assets, and obligations for the liabilities, relating to the arrangement. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement (i.e. joint venturers) have rights to the net assets of the arrangement.

The Group's Investments in joint ventures are accounted for using the equity method. Under the equity method, an investment in a joint venture is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the joint venture

The Group's Investments in joint operations are accounted for such that each joint operator recognises its assets (including its share of any assets jointly held), its liabilities (including its share of any liabilities incurred jointly), its revenue (including its share of revenue from the sale of the output by the joint operation) and its expenses (including its share of any expenses incurred jointly). The Group accounts for the assets and liabilities, as well as revenues and expenses, relating to its interest in the joint operation in accordance with the applicable Standards.

3.8 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

3.8.1 Sale of goods

Revenue from the sale of goods is recognised when the goods are delivered and title has passed, at which time all the following conditions are satisfied:

- The Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- The Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- The amount of revenue can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow to the Group; and
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

3.8.2 Rendering of services

Revenue from a contract to provide services is recognised by reference to the stage of completion of the contract. The stage of completion of the contract is determined as follows:

- Installation fees are recognised by reference to the stage of completion of the installation, determined as the proportion of the total time expected to install that has elapsed at the end of the reporting period;
- Servicing fees included in the price of products sold are recognised by reference to the proportion of the total cost of providing the servicing for the product sold; and
- Revenue from time and material contracts is recognised at the contractual rates as labour hours are delivered and direct expenses are incurred.

The Group's policy for recognition of revenue from construction contracts is described at 3.9 below

3.8.3 Dividend and interest income

Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Group and the amount of revenue can be measured reliably).

Interest income is recognised when it is probable that the economic benefits will flow to the Group and the amount of revenue can be measured reliably. Interest revenue is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014

NOTE 3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.9 Construction contracts and work in progress

Construction contract revenue is recognised by reference to the stage of completion of the contract activity at the end of the reporting period, measured based on the proportion of contract revenue for work performed to date relative to the estimated total contract value. Variations in contract work, claims and incentive payments are included to the extent that the amount can be measured reliably and its receipt is considered probable.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

When contract costs incurred to date plus recognised profits less recognised losses exceed progress billings, the surplus is shown as amounts due from customers for contract work. For contracts where progress billings exceed contract costs incurred to date plus recognised profits less recognised losses, the surplus is shown as the amounts due to customers for contract work. Amounts received before the related work is performed are included in the consolidated statement of financial position, as a liability, as advances received. Amounts billed for work performed but not yet paid by the customer are included in the consolidated statement of financial position under trade and other receivables.

3.10 Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

3.10.1 The Group as lessee

Assets held under finance leases are initially recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Group's general policy on borrowing costs (see 3.11 below). Contingent rentals are recognised as expenses in the periods in which they are incurred.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

3.11 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

3.12 Employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave when it is probable that settlement will be required and they are capable of being measured reliably.

Liabilities recognised in respect of short-term employee benefits, are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Liabilities recognised in respect of long-term employee benefits are measured as the present value of the estimated future cash outflows to be made by the Group in respect of services provided by employees up to reporting date.

NOTE 3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.13 Share-based payments

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in note 31.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest. At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

For cash-settled share-based payments, a liability is recognised for the goods or services acquired, measured initially at the fair value of the liability. At the end of each reporting period until the liability is settled, and at the date of settlement, the fair value of the liability is remeasured, with any changes in fair value recognised in profit or loss for the year.

3.14 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

3.14.1 Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the Consolidated Statement of Profit or Loss and Other Comprehensive Income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

3.14.2 Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

3.14.3 Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014

NOTE 3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.14.4 Tax consolidation

The Company and its wholly-owned Australian resident entities have formed a tax-consolidated group with effect from 1 August 2007 and are therefore taxed as a single entity from that date. The head entity within the tax-consolidated group is BSA Limited. The members of the tax-consolidated group are identified in note 19. Tax expense/income, deferred tax liabilities and deferred tax assets arising from temporary differences of the members of the tax-consolidated group are recognised in the separate financial statements of the members of the tax-consolidated group using the 'separate taxpayer within group' approach by reference to the carrying amounts in the separate financial statements of each entity and the tax values applying under tax consolidation. Current tax liabilities and assets and deferred tax assets arising from un-used tax losses and relevant tax credits of the members of the tax-consolidated group are recognised by the Company (as head entity in the tax-consolidated group).

Due to the existence of a tax funding arrangement between the entities in the tax-consolidated group, amounts are recognised as payable to or received by the Company and each member of the Group in relation to the tax contribution amounts paid or payable between the parent entity and the other members of the tax-consolidated group in accordance with the arrangement.

3.15 Property, plant and equipment

Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the Consolidated Statement of Financial Position at cost.

Depreciation on buildings is recognised in profit or loss.

Freehold land is not depreciated.

Fixtures and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is recognised so as to write off the cost (other than freehold land) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

3.16 Intangible assets

3.16.1 Intangible assets acquired separately

Intangible assets with finite lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

3.16.2 Intangible assets acquired in a business combination

Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

NOTE 3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.17 Impairment of tangible and intangible assets excluding goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

3.18 Inventories

Inventories are stated at the lower of cost and net realisable value. Costs, including an appropriate portion of fixed and variable overhead expenses, are assigned to inventories by the method most appropriate to the particular class of inventory, with the majority being valued on the basis of weighted average cost. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

3.19 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

3.19.1 Warranties

Provisions for the expected cost of warranty obligations under construction contracts are recognised at the Directors' best estimate of the expenditure required to settle the Group's obligation.

3.19.2 Make Good

Provisions for the estimated cost of work to comply with make good provisions in certain Group property leases are recognised at the Directors' best estimate of the expenditure to settle the Group's obligation.

3.20 Financial Assets

Financial assets are classified into the specified category of 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

3.20.1 Effective Interest Method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014

NOTE 3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.20.2 Loans and receivables

Trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

3.20.3 Impairment of financial assets

Financial assets, other than those at Fair Value Through Profit or Loss, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 30 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

3.21 Financial liabilities and equity instruments issued by the Group

3.21.1 Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

3.21.2 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

3.21.3 Financial Liabilities

Financial liabilities are classified as 'other financial liabilities'.

3.21.4 Other Financial Liabilities

Other financial liabilities, including borrowings and trade and other payables, are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying on initial recognition.

3.22 Derivative financial instruments

The Group enters into a variety of derivative financial instruments to manage its exposure to interest rate risk, including interest rate swaps. Further details of derivative financial instruments are disclosed in note 35.

Derivatives are initially recognised at fair value at the date the derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

NOTE 3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.22.1 Cash flow hedges

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss, and is included in the 'other gains and losses' line item.

Amounts previously recognised in other comprehensive income and accumulated in equity are reclassified to profit or loss in the periods when the hedged item is recognised in profit or loss, in the same line of the Consolidated Statement of Profit or Loss and Other Comprehensive Income as the recognised hedged item. However, when the forecast transaction that is hedged results in the recognition of a non-financial asset or a non-financial liability, the gains and losses previously accumulated in equity are transferred from equity and included in the initial measurement of the cost of the non-financial asset or non-financial liability.

Hedge accounting is discontinued when the Group revokes the hedging relationship, when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. Any gain or loss accumulated in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in profit or loss.

3.23 Goods and services tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except:

- i Where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or
- ii For receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Cash flows are included in the cash flow statement on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified within operating cash flows.

NOTE 4 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 3, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

4.1 Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

4.1.1 Contracts - estimates to complete

Construction contracts are accounted for as per 3.9. Inherent in the assessment of profitability of each contract is the estimate to complete. This estimate requires the Directors to assess the conduct of the contract to date and the expected cost to complete the contract. In addition, where appropriate, Management and the Directors assess the probability of recovery of variations within the contract estimates.

4.1.2 Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires the directors to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. Where the actual future cash flows are less than expected, a material impairment loss may arise.

The carrying amount of goodwill at 30 June 2014 was \$15,200,000 (30 June 2013: \$55,200,000).

See note 17 for details.

4.1.3 Payroll Tax Liability

BSA has previously advised the market about a possible payroll-tax related liability with the NSW Office of State Revenue (OSR). BSA has continued, along with our legal representatives to constructively work with the OSR to ensure an equitable and timely conclusion to this matter. BSA has a provision in its FY14 accounts of \$2,000,000 (FY13 \$2,000,000) and at this time there is no further information that would suggest this provision should be changed.

See Note 25 for details

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014

NOTE 5 REVENUE

	2014	Consolidated 2013
	\$'000	\$'000

The following is an analysis of the Group's revenue from continuing operations (excluding investment revenue - see note 6).

Revenue from sale of goods	18,781	18,235
Revenue from the rendering of services	140,082	116,545
Contract revenue	332,649	339,400
Total Revenue	491,512	474,180

NOTE 6 INVESTMENT REVENUE

	2014	Consolidated 2013
	\$'000	\$'000

Interest revenue

Bank deposits	74	144
Other loans and receivables	20	213
	94	357

The following is an analysis of investment revenue earned on financial assets by category of asset:

Loans and receivables (including cash and bank balances)	94	357
	94	357

NOTE 7 OTHER GAINS AND LOSSES

	2014	Consolidated 2013
	\$'000	\$'000

Continuing operations

Gain on disposal of property, plant and equipment	84	47
	84	47

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014

NOTE 8 (LOSS)/PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS

	2014	2013
	\$'000	\$'000
		Consolidated
(Loss)/Profit for the year from continuing operations has been arrived at after charging/(crediting):		
8.1 Cost of sales	424,719	388,471
8.2 Finance costs		
Interest on bank overdrafts and loans	2,319	1,932
Total finance costs	2,319	1,932
8.3 Depreciation and amortisation expense		
Depreciation of property, plant and equipment	6,888	7,002
Amortisation of intangible assets	1,441	1,440
Total depreciation and amortisation expense	8,329	8,442
8.4 Employee benefits expense		
Post employment benefits		
Superannuation	10,009	9,215
Share-based payments (see note 31(d))		
Equity-settled share-based payments	42	(129)
Other employee benefits	32,138	35,413
Total employee benefits expense	42,189	44,499
8.5 Significant Items		
Impairment of intangible goodwill assets	40,000	-
Non-recurring project provisions relating to legacy issues	20,579	-
Key Project Profit Write Downs	3,643	-
	64,222	-

\$64,222,000 is included in the following categories in the Consolidated Statement of Profit or Loss and other Comprehensive Income, "Subcontractors and raw materials" (\$22,126,000), "Other expenses" (\$2,096,000) and "Impairment of intangibles" (\$40,000,000).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014

NOTE 9 INCOME TAXES

		Consolidated	
	Note	2014 \$'000	2013 \$'000
9.1 Income tax recognised in profit or loss			
Current tax			
In respect of the current year		-	710
In respect of prior years		128	(1,137)
		128	(427)
Deferred Tax			
In respect of the current year		(6,583)	(538)
		(6,583)	(358)
Total income tax benefit recognised in the current year relating to continuing operations		(6,455)	(965)
The expense for the year can be reconciled to the accounting (loss)/profit as follows:			
(Loss)/Profit from continuing operations		(61,302)	2,798
Income tax expense calculated at 30%		(18,391)	840
Adjusted for:			
Non-deductible expenses	(a)	12,059	25
Research and development allowance		(251)	(693)
		(6,583)	172
Adjustments recognised in the current year in relation to the current tax of prior years			
Research and development allowance		-	(1,039)
Rights to future income adjustment due to change in legislation		-	-
Other		128	(98)
		128	(1,137)
Total income tax benefit recognised in the current year relating to continuing operations		(6,455)	(965)

(a) Includes \$12,000,000 for Goodwill Impairment.

The tax rate used for the 2014 and 2013 reconciliations above is the corporate tax rate of 30% payable by Australian corporate entities on taxable profits under Australian tax law.

9.2 Current tax assets and liabilities

Current tax assets			
Tax refund receivable		1,483	1,206
		1,483	1,206

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014

NOTE 9 INCOME TAXES (CONTINUED)

9.3 Deferred tax balances

2014	Opening Balance \$'000	Recognised in Profit or Loss \$'000	Closing Balance \$'000
Temporary differences			
Finance leases	(51)	(15)	(66)
Intangible assets	(2,242)	432	(1,810)
Employee benefits	3,110	177	3,287
Provisions	943	2,633	3,576
Doubtful debts	221	877	1,098
Tax losses carried forward	-	2,479	2,479
	1,981	6,583	8,564

Note: Tax losses carried forward of \$2,479,000, expected to be offset against taxable profits in FY15, were reported in the Appendix 4E in current tax assets. Under AASB 101 deferred tax assets are required to be reported as non-current assets and are disclosed in the table above.

2013	Opening Balance \$'000	Recognised in Profit or Loss \$'000	Closing Balance \$'000
Temporary differences			
Finance leases	(4)	(47)	(51)
Intangible assets	(2,674)	432	(2,242)
Employee benefits	3,321	(211)	3,110
Provisions	392	551	943
Doubtful debts	408	(187)	221
	1,443	538	1,981

Deferred tax balances are presented in the Statement of Financial Position as follows:

	30/06/2014 \$'000	30/06/2013 \$'000
Deferred tax assets	8,564	1,981
Deferred tax liabilities	-	-
	8,564	1,981

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014

NOTE 9 INCOME TAXES (CONTINUED)

9.4 Tax consolidation

Relevance of tax consolidation to the Group

The Company and its wholly-owned Australian resident entities have formed a tax-consolidated group with effect from 1 August 2007 and are therefore taxed as a single entity from that date. The head entity within the tax-consolidated group is BSA Limited. The members of the tax-consolidated group are identified in note 19. Tax expense/income, deferred tax liabilities and deferred tax assets arising from temporary differences of the members of the tax-consolidated group are recognised in the separate financial statements of the members of the tax-consolidated group using the 'separate taxpayer within group' approach by reference to the carrying amounts in the separate financial statements of each entity and the tax values applying under tax consolidation. Current tax liabilities and assets and deferred tax assets arising from un-used tax losses and relevant tax credits of the members of the tax-consolidated group are recognised by the Company (as head entity in the tax-consolidated group).

Due to the existence of a tax funding arrangement between the entities in the tax-consolidated group, amounts are recognised as payable to or received by the Company and each member of the Group in relation to the tax contribution amounts paid or payable between the parent entity and the other members of the tax-consolidated group in accordance with the arrangement.

NOTE 10 KEY MANAGEMENT PERSONNEL

	2014	Consolidated 2013
	\$	\$
Compensation		
Short-term employee benefits	1,301,333	1,299,536
Post-employment benefits	119,659	109,541
Other long-term benefits	(36,313)	14,446
Termination benefits	373,916	-
Share-based-payments	-	(125,350)
	1,758,595	1,298,173

Further information regarding the identity of key management personnel and their compensation can be found in the Audited Remuneration Report contained in the Directors' Report on pages 18 to 26 of this Annual Report.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014

NOTE 11 AUDITORS' REMUNERATION

	2014	Consolidated 2013
	\$	\$
Remuneration of the auditor of the Group for:		
- Auditing or reviewing the Financial Report	531,300	302,430
- Taxation services	327,929	219,419
- Other non-audit services	14,000	48,136
	873,229	569,985

Included in taxation services is \$73,000 payroll tax advice relating to NSW Office of State Revenue matter.

The auditor of BSA Limited is Deloitte Touche Tohmatsu.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014

NOTE 12 EARNINGS PER SHARE

	Consolidated	
	2014	2013
	Cents	Cents
Basic (loss)/profit per share	(23.97)	1.64
Diluted (loss)/profit per share	(23.97)	1.60
	\$'000	\$'000
(a) Reconciliation of Earnings to Profit		
(Loss)/Profit	(54,847)	3,763
(Loss)/Profit used to calculate basic EPS and dilutive EPS	(54,847)	3,763
	Number	Number
(b) Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS	228,861,202	228,861,202
Weighted average number of options/rights outstanding	-	5,779,836
Weighted average number of ordinary shares outstanding during the year used in calculating dilutive EPS	228,861,202	234,641,038

(c) Information concerning the classification of securities

Options/Rights

Options granted to employees under the BSA Limited Employee Option Plan and rights granted to employees under the BSA Limited Employees Performance Rights Plan are considered to be potential ordinary shares and have been included in the determination of diluted earnings per share to the extent to which they are dilutive. The options/rights have not been included in the determination of basic earnings per share. Details relating to the options and rights are set out in note 31.

NOTE 13 CASH AND CASH EQUIVALENTS

	Consolidated	
	2014	2013
	\$'000	\$'000
For the purposes of the Consolidated Statement of Cash Flows, cash and cash equivalents include cash on hand and in banks.		
Cash at bank and on hand	5,297	2,009
	5,297	2,009

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014

NOTE 14 TRADE AND OTHER RECEIVABLES

		Consolidated	
	Note	2014 \$'000	2013 \$'000
CURRENT			
Trade receivables		10,706	11,399
Allowance for doubtful debts		(437)	(84)
		10,269	11,315
<hr/>			
Other receivables		2,460	614
Executive Share Plan receivables	33 (c)	194	194
Amounts due from customers under construction contracts	21	61,303	64,734
Allowance for doubtful debts (construction contracts)		(2,781)	(597)
Contract Retentions		219	592
Accrued Revenue		13,514	7,460
Prepayments		1,225	878
		76,134	73,875
		86,403	85,190
<hr/>			
NON-CURRENT			
Executive Share Plan receivables	33 (c)	1,279	1,279

Trade receivables

Trade receivables disclosed above are classified as loans and receivables and are therefore measured at amortised cost.

The average debtor days for the Group is 48 days. No interest is charged on overdue receivables. Allowances for doubtful debts are recognised against trade receivables greater than 60 days based on estimated irrecoverable amounts determined by reference to past default experience of the counterparty and specific details around invoice collectability.

Before accepting a new customer, the Group uses an external credit scoring system to assess the potential customer's credit quality and defines credit limits by customer.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014

NOTE 14 TRADE AND OTHER RECEIVABLES (CONTINUED)

Age analysis of trade receivables that are past due but not impaired at the reporting date

	Consolidated					
	2014			2013		
	Total	Amount Impaired	Amount Not Impaired	Total	Amount Impaired	Amount Not Impaired
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Trade receivables						
Not past due	7,932	-	7,932	6,459	-	6,459
Past due [30] days	1,493	-	1,493	1,414	-	1,414
Past due [30-60] days	241	-	241	702	12	690
Past due [60-90] days	832	365	467	1,833	38	1,795
Past due [>90] days	208	72	136	991	34	957
Total	10,706	437	10,269	11,399	84	11,315
Amounts due from customers under construction contracts						
Not past due	40,215	-	40,215	43,007	-	43,007
Past due [30] days	9,754	-	9,754	12,107	-	12,107
Past due [30-60] days	3,492	-	3,492	2,424	-	2,424
Past due [60-90] days	2,486	-	2,486	951	-	951
Past due [>90] days	5,356	2,781	2,575	6,245	597	5,648
Total	61,303	2,781	58,522	64,734	597	64,137

As at 30 June 2014, the Group had current trade receivables of \$3,218,000 (2013: \$681,000) that were impaired. The amounts relate to customers who had not responded to final request for payment notices, customers that BSA had requested external collection agencies to collect outstanding debts or customers who have disputed invoiced amounts.

Analysis of Allowance Account

	Consolidated	
	2014	2013
	\$'000	\$'000
Opening Balance	681	1,160
Provisions for doubtful receivables current	2,537	681
Receivables written off during the year	(384)	(503)
Reversal of amounts provided	384	(657)
Closing balance	3,218	681

NOTE 15 INVENTORIES

	Consolidated	
	2014	2013
	\$'000	\$'000
CURRENT		
Raw materials and stores at net realisable value	4,696	5,202
	4,696	5,202

The cost of inventories recognised as an expense includes \$229,000 (2013: \$NIL) in respect of write-down of inventory to net realisable value.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014

NOTE 16 PROPERTY, PLANT AND EQUIPMENT

Movements in Carrying Amounts

Movements in the carrying amounts of each class of property, plant and equipment between the beginning and the end of the financial year:

	Land	Buildings	Leasehold Improvements	Plant & Equipment	Plant & Equipment Under Finance Lease and Hire Purchase	Make Good	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cost							
Balance as at 1 July 2012	253	410	2,258	20,208	10,379	-	33,508
Additions	-	-	1,332	4,107	3,942	230	9,611
Disposals	-	-	(537)	(1,120)	(1,093)	-	(2,750)
Acquisitions through business combinations	-	-	-	132	-	-	132
Transfers *	-	-	-	2,985	(2,985)	-	-
Balance as at 30 June 2013	253	410	3,053	26,312	10,243	230	40,501
Additions	-	-	133	3,347	470	4	3,954
Disposals	-	-	-	(509)	(151)	-	(660)
Transfers *	-	-	-	(41)	41	-	-
Balance as at 30 June 2014	253	410	3,186	29,109	10,603	234	43,795
Accumulated depreciation and impairment							
Balance as at 1 July 2012	-	6	1,168	12,818	4,015	-	18,007
Additions	-	17	583	4,445	1,886	71	7,002
Disposals	-	-	(609)	(725)	(1,040)	-	(2,374)
Transfers *	-	-	-	874	(874)	-	-
Balance as at 30 June 2013	-	23	1,142	17,412	3,987	71	22,635
Additions	-	16	559	4,228	2,009	76	6,888
Disposals	-	-	-	(461)	(86)	-	(547)
Transfers *	-	-	-	(8)	8	-	-
Balance as at 30 June 2014	-	39	1,701	21,171	5,918	147	28,976
Net Book Value as at 30 June 2014	253	371	1,485	7,938	4,685	87	14,819
Net Book Value as at 30 June 2013	253	387	1,911	8,900	6,256	159	17,866

*Transfers between categories

16.1 The following useful lives are used in the calculation of depreciation:

Buildings	25 years
Leasehold improvements	4 - 5 years
Plant and equipment	3 - 10 years
Plant and equipment under finance lease	3 - 5 years

16.2 Assets held as security

Fixed and floating charges over the whole of the Consolidated Entity assets has been pledged as security for bank loans.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014

NOTE 17 NON-CURRENT ASSETS - GOODWILL

	2014	Consolidated 2013
	\$'000	\$'000
Cost		
Balance at the beginning of year TFFS	13,025	13,025
Balance at the beginning of year TDCP	34,142	34,142
Balance at the beginning of year TMS	9,553	9,413
Balance at the beginning of year	56,720	56,580
Additional amounts recognised from business combinations occurring during the year TMS	-	140
Balance at end of year TFFS	13,025	13,025
Balance at end of year TDCP	34,142	34,142
Balance at end of year TMS	9,553	9,553
Balance at end of year	56,720	56,720
Accumulated impairment losses		
Balance at the beginning of year TFFS	(1,535)	(1,535)
Impairment loss recognised in the year TFFS	(11,490)	-
Impairment loss recognised in the year TDCP	(18,957)	-
Impairment loss recognised in the year TMS	(9,553)	-
Total Impairment loss recognised in the year	(40,000)	-
Balance at end of year TFFS	(13,025)	(1,535)
Balance at end of year TDCP	(18,957)	-
Balance at end of year TMS	(9,553)	-
Balance at end of year	(41,535)	(1,535)
Closing carrying value at 30 June 2014		
Closing carrying value TFFS	-	11,490
Closing carrying value TDCP	15,185	34,142
Closing carrying value TMS	-	9,553
Total closing carrying value	15,185	55,185

The recoverable amount of each cash generating unit is determined based on value-in-use calculations. Value-in-use is calculated based on the present value of cash flow projections over a three year period with the period extending beyond three years extrapolated using an estimated growth rate of 2.0% for TFFS, 2.0% for TDCP and 2.5% for TMS. The cash flows are discounted using the weighted average cost of capital with mid-year discounting.

After completion of the value-in-use calculations, the Directors resolved to impair the Goodwill in each of the CGUs (TFFS \$11,490,000 TDCP \$18,957,000 and TMS \$9,553,000).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014

NOTE 17 NON-CURRENT ASSETS - GOODWILL (CONTINUED)

The following assumptions were used in the value-in-use calculations in the latest model:

	Growth Rate	WACC/Discount Rate
Technical Field Force Solutions (TFFS)		
2015	25.9%	17.0%
2016	0.0%	17.0%
2017	(14.0%)	17.0%
Terminal Year	2.0%	17.0%
Technical Design and Construction Projects (TDCP)		
2015	7.1%	18.0%
2016	2.3%	18.0%
2017	(1.1%)	18.0%
Terminal Year	2.0%	18.0%
Technical Maintenance Services (TMS)		
2015	9.4%	16.8%
2016	5.0%	16.8%
2017	2.4%	16.8%
Terminal Year	2.5%	16.8%

Other assumptions used in the value-in-use model include Cost of Goods Sold (COGs), Operating Expenses (OPEX), Debtor Days, Creditor Days, Provisions and Work in Progress (WIP) Days. Forecasts use historical weighted average growth rates and rates at which contracts are currently being written to project revenue. Costs are calculated taking into account historical gross margins. Discount rates are pre-tax and are adjusted to incorporate risks associated with a particular segment.

The Board considers that it has taken a moderate view of the market conditions and business operations. Recent improvements and the future impact of planned improvements and business re-engineering have not been fully incorporated in the value-in-use model. Management expects a potential uplift in the performance through these changes and the overall performance of the CGUs.

Impact of possible changes to key assumptions

Growth Rate

TFFS - In a sensitivity analysis, Management estimates that a 5% reduction in top line revenue growth over the model period would cause a reduction in enterprise value of \$13,300,000 and a 5% increase in the overall revenue growth would result in an increase in enterprise value by \$13,300,000. A sensitivity analysis of 5% has been chosen due to the underlying stability of the TFFS business operation model, predominantly based on the back of long term contracts with major clients. The impact on enterprise value excludes any compensating adjustments to operating expenses.

TDCP - In a sensitivity analysis, Management estimates that a 5% reduction in top line revenue growth over the model period would cause a reduction in enterprise value of \$9,100,000 and a 5% increase in the overall revenue growth would result in an increase in enterprise value by \$9,100,000. A sensitivity analysis of 5% has been chosen due to the mature construction market and the current environment projected over a longer term. The impact on enterprise value excludes any compensating adjustments to operating expenses.

TMS - In a sensitivity analysis, Management estimates that a 5% reduction in top line revenue growth over the model period would cause a reduction in enterprise value of \$9,600,000 and a 5% increase in the overall revenue growth would result in an increase in enterprise value by \$9,600,000. A sensitivity analysis of 5% has been chosen due to overall growth of the construction and maintenance market conditions. The impact on enterprise value excludes any compensating adjustments to operating expenses.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014

NOTE 17 NON-CURRENT ASSETS - GOODWILL (CONTINUED)

Gross Margin: Revenue less Costs of Goods Sold (Direct Costs)

TFFS - In a sensitivity analysis, Management estimates that a 1% reduction in gross margin would cause a reduction in enterprise value of \$23,700,000 and an improvement in gross margin of 1% will increase the enterprise value of the division by \$23,700,000. A sensitivity analysis of 1% has been chosen due to the underlying stability of the TFSS business operation model, predominantly based on the back of long term contracts with major clients. Whilst the value-in-use model has gross margin steady, Management anticipates that based on current initiatives that gross margin percentages may improve slightly over the value-in-use cash flow projection period.

TDCP - In a sensitivity analysis, Management estimates that a 1% reduction in gross margin would cause a reduction in enterprise value of \$16,900,000 and an improvement in gross margin by 1% would increase the enterprise value by \$16,900,000. A sensitivity analysis of 1% has been chosen due to the competitive nature of the industry that TDCP operates in that has resulted in lower than expected margin performance. Whilst the value-in-use model has gross margin steady, Management anticipates that based on current initiatives that gross margin percentages may improve slightly over the value-in-use cash flow projection period.

TMS - In a sensitivity analysis, Management estimates that a 1% reduction in gross margin would cause a reduction in enterprise value of \$8,400,000 and a 1% improvement in gross margin would result in an increase in enterprise value of \$8,400,000. A sensitivity analysis of 1% has been chosen due to the underlying stability of the TMS business operation model, predominantly based on a spread of work across maintenance contracts, service and small project work. Whilst the value-in-use model has gross margin steady, Management anticipates that based on current initiatives that gross margin percentages may improve slightly over the value-in-use cash flow projection period.

Operating Expense (as a percentage of Revenue)

TFFS - Management estimates that a 1% increase in OPEX would cause a reduction in enterprise value of \$24,000,000 and a reduction of 1% in OPEX the enterprise value increases by \$24,000,000. While the OPEX percentage in the value-in-use model is steady over the period, Management anticipates that based on current restructuring that OPEX percentages may reduce slightly over the value-in-use cash flow projection period.

TDCP - Management estimates that a 1% increase in OPEX would cause a reduction in enterprise value of \$17,000,000 and reduction of 1% in OPEX the enterprise value increases by \$17,000,000. While the OPEX percentage in the value-in-use model is steady over the period, Management anticipates that based on current restructuring that OPEX percentages may reduce slightly over the value-in-use cash flow projection period.

TMS - Management estimates that a 1% increase in OPEX would cause a reduction in enterprise value of \$8,600,000 and a reduction of 1% in OPEX the enterprise value increases by \$8,600,000. While the OPEX percentage in the value-in-use model is steady over the period, Management anticipates that based on current restructuring that OPEX percentages may reduce slightly over the value-in-use cash flow projection period.

Working Capital

Key components affecting working capital include debtor day collections, accounts payable days and project work in progress days. Management believe the assumptions used in the cash flow projection period are conservative based on historical performance and do not take into account initiatives to improve these metrics going forward. Applying sensitivity analysis impacts each respective cash-generating-unit as follows:

TFFS - A sensitivity in adversely impacting working capital based on collecting debtors two days later and paying creditors two days earlier would reduce enterprise value by \$2,000,000.

TDCP - A sensitivity in adversely impacting working capital based on collecting debtors two days later and paying creditors two days earlier, and WIP reducing two days would reduce enterprise value by \$4,400,000.

TMS - A sensitivity in adversely impacting working capital based on collecting debtors two days later and paying creditors two days earlier, and WIP reducing two days would reduce enterprise value by \$1,300,000.

Combined Scenario (Gross Margin, Working Capital, OPEX and Growth Rate)

An assessment of combining the impact of the following key variables:

- Revenue reduction of 1%
- Gross Margin reduction of 0.5%
- OPEX increase of 0.5%
- Working capital movements due to collecting debtors two days later and paying creditors two days earlier and WIP reducing two days (TDCP)

results in a potential reduction in enterprise value of \$57,535,000 (Reduction by CGU's: TFSS \$25,878,000, TDCP \$21,543,000, TMS \$10,114,000).

In the event of the value-in-use model in line with this combined scenario occurring, Management expects that action would be taken to mitigate the impact of one or more variables.

In the event that the value-in-use model indicates impairment, intangible assets in TDCP and TMS (Customer Relationships and Order Backlog) would be tested for impairment as well as tangible assets for each CGU.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014

NOTE 18 NON-CURRENT ASSETS - OTHER INTANGIBLE ASSETS

Intangible assets, other than goodwill, have finite lives. The current amortisation for intangible assets is included under depreciation and amortisation expense per the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

	Customer Relationships \$'000	Order Backlog \$'000	Total \$'000
Cost			
Balance as at 1 July 2012	6,900	10,079	16,979
Acquisitions through business combinations	-	-	-
Balance at 30 June 2013	6,900	10,079	16,979
Acquisitions through business combinations	-	-	-
Balance at 30 June 2014	6,900	10,079	16,979
Accumulated amortisation and impairment			
Balance as at 1 July 2012	(3,771)	(4,295)	(8,066)
Amortisation expense	(767)	(673)	(1,440)
Balance at 30 June 2013	(4,538)	(4,968)	(9,506)
Amortisation expense	(767)	(674)	(1,441)
Balance at 30 June 2014	(5,305)	(5,642)	(10,947)
Net Book Value as at 30 June 2014	1,595	4,437	6,032
Net Book Value as at 30 June 2013	2,362	5,111	7,473

The amortisation expense has been included in the line "depreciation and amortisation expense" in the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

The following useful lives are used in the calculation of amortisation.

Customer relationships	9 years
Order backlog	1 to 9.5 years

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014

NOTE 19 OTHER FINANCIAL ASSETS

	Consolidated	
	2014	2013
	\$'000	\$'000
Shares in other corporations at cost	3	3
	3	3

(a) Shares in subsidiaries

Details of Group Companies

	Principal Activity	Country of incorporation	Percentage Owned (%)	
			2014	2013
Parent Entity:				
BSA Limited		Australia	-	-
Ultimate Parent Entity:				
BSA Limited		Australia	-	-
Name of Subsidiary				
Mr Broadband Pty Limited	TDCP	Australia	100%	100%
Allstaff Airconditioning Holdings Pty Limited	TDCP	Australia	100%	100%
Allstaff Airconditioning (VIC) Pty Limited	TDCP	Australia	100%	100%
Allstaff Airconditioning (NSW) Pty Limited	TDCP	Australia	100%	100%
Allstaff Airconditioning (ACT) Pty Limited	TDCP	Australia	100%	100%
Complex Airconditioning Pty Limited	TDCP	Australia	100%	100%
Mr Antenna Pty Limited	TFFS	Australia	100%	100%
Satellite Receiving Systems (QLD) Pty Limited	TFFS	Australia	100%	100%
Mr Alarms Pty Limited	TFFS	Australia	100%	100%
MEC Services Pty Limited	TMS	Australia	100%	100%
BSA Transmission Solutions Pty Limited	TFFS	Australia	100%	100%
066 059 809 Pty Limited	TFFS	Australia	100%	100%
Triple M Group Pty Limited	TDCP	Australia	100%	100%
Triple M Mechanical Services Pty Limited	TDCP	Australia	100%	100%
Triple M Mechanical Services (Qld) Pty Limited	TDCP	Australia	100%	100%
Triple M Fire Pty Limited	TDCP	Australia	100%	100%
Triple M Mechanical Services (Administration) Pty Limited	TDCP	Australia	100%	100%
BSA Networks Pty Limited	TFFS	Australia	100%	100%
BurkeAir Pty Limited	TMS	Australia	100%	100%

(b) Deed of Cross Guarantee:

All Controlled Entities are parties to the Deed of Cross Guarantee, where relief is obtained from preparing individual financial reports under ASIC Class Order 98/1418, and are members of the Closed Group. Under the Deed, BSA Limited agrees to support the liabilities and obligations of the Controlled Entities.

(c) Tax Consolidation Group

All the controlled entities are part of the Tax Consolidation Group.
BSA Limited is the head entity in the Tax Consolidation Group.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014

NOTE 19 OTHER FINANCIAL ASSETS (CONTINUED)

19.1 Composition of the Group

Information about the composition of the Group at the end of the reporting period is as follows:

Principal Activity	Country of incorporation	Number of wholly-owned subsidiaries	
		2014	2013
Technical Field Force Solutions (TFFS)	Australia	6	6
Technical Design and Construction Projects (TDCP)	Australia	11	12
Technical Maintenance Services (TMS)	Australia	2	1
Total Number of Subsidiaries		19	19

NOTE 20 DETAILS OF JOINT VENTURE

Details of the Group's joint venture at the end of the reporting period is as follows:

Name of Joint Venture	Principal Activity	Place of incorporation and principal place of business	Number of wholly-owned subsidiaries	
			2014	2013
Triple M and Premier Fire JV Co Limited	Installation of fire services	Australia	50%	0%

Triple M and Premier Fire JV Co Limited is a limited liability company whose legal form confers separation between the parties to the joint arrangement and the company itself. Furthermore, there is no contractual arrangement or any other facts and circumstances that indicate that the parties to the joint arrangement have rights to the assets and obligations for the liabilities of the joint arrangement. Accordingly, Triple M and Premier Fire JV Co Limited is classified as a joint venture of the Group.

The above joint venture is accounted for using the equity method in these consolidated financial statements.

Summarised financial information in respect of the Group's joint venture is set out below. The summarised financial information below represents amounts shown in the joint venture's financial statements prepared in accordance with accounting standards (adjusted by the Group for equity accounting purposes).

Triple M and Premier Fire JV Co Limited

	2014 \$'000	2013 \$'000
Current Assets	1,084	-
Non-current assets	-	-
Current Liabilities	(753)	-
Non-current liabilities	-	-

The above amounts of assets and liabilities include the following:

Cash and cash equivalents	280	-
Current financial liabilities (excluding trade and other payables and provisions)	-	-
Non-current financial liabilities (excluding trade and other payables and provisions)	-	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014

NOTE 20 DETAILS OF JOINT VENTURE (CONTINUED)

	\$'000	\$'000
Revenue	1,876	-
Profit or loss from continuing operations		-
Post-tax profit (loss) from discontinued operations	-	-
Profit (loss) for the year	202	-
Other comprehensive income for the year	-	-
Total comprehensive income for the year	202	-
Dividends received from the joint venture during the year	-	-
The above profit (loss) for the year include the following:		
Depreciation and amortisation	-	-
Interest income	-	-
Interest expenses	-	-
Income tax expense (income)	-	-
Reconciliation of the above summarised financial information to the carrying amount of the interest in the joint venture recognised in the consolidated financial statements:		

	2014 \$'000	2013 \$'000
Net assets of the joint venture	331	-
Proportion of the Group's ownership interest in the joint venture	50%	0%
Goodwill	-	-
Other adjustments	-	-
Carrying amount of the Group's interest in the joint venture	165	-

NOTE 21 AMOUNTS DUE FROM (TO) CUSTOMERS UNDER CONSTRUCTION CONTRACTS

	2014 \$'000	2013 \$'000
Contracts in progress		
Construction costs incurred plus recognised profits less recognised losses to date	331,194	339,424
Less: progress billings	(271,080)	(274,969)
	60,114	64,455
Represented by amounts due:		
- from customers under construction contracts (note 14)	61,303	64,734
- to customers under construction contracts (note 23)	(1,189)	(279)
	60,114	64,445

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014

NOTE 22 PARENT ENTITY DISCLOSURES

	2014	Consolidated 2013
	\$'000	\$'000
(a) Financial Position		
Assets		
Current assets	41,365	32,083
Non-current assets	82,423	79,955
Total assets	123,788	112,038
Liabilities		
Current liabilities	49,972	33,138
Non-current liabilities	8,002	12,408
Total liabilities	57,974	45,546
Net Assets	65,814	66,492
Equity		
Issued capital	77,797	77,797
Retained earnings	(35,426)	(34,766)
Profit Reserve	22,148	22,148
Reserves		
Share-based payments reserve	1,301	1,354
Cash flow hedge reserve	(6)	(41)
Total equity	65,814	66,492
(b) Financial Performance		
(Loss)/Profit for the year	(660)	25,580
Other comprehensive income for the year, net of tax		
Items that may be reclassified subsequently to profit or loss:		
Gain/(loss) recognised on cash flow hedges	35	(16)
Total comprehensive income for the year, net of tax	(625)	25,564
(c) Guarantees entered into by the parent entity in relation to the debts of its subsidiaries		
BSA Limited has entered into a cross guarantee with its wholly owned subsidiaries.	73,660	73,660
(d) Contingent Liabilities		
Guarantees established in favour of National Australia Bank Limited and Swiss Re International SE for Guarantees issued to various clients for satisfactory contract performance, secured by cross guarantees from all wholly owned group members amounting to \$10,170,000 (2013 - \$9,130,000).		

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014

NOTE 23 TRADE AND OTHER PAYABLES

	2014	Consolidated 2013
	\$'000	\$'000
Trade payables	45,971	39,560
Other payables	16,876	13,974
Work in progress	14,452	16,719
Amounts due to customers under construction contracts (see note 21)	1,189	279
Total Payables	78,488	70,532

The average credit period on purchases is 33.2 days. The Group has financial risk management policies in place to ensure that all payables are paid within appropriate commercial terms.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014

NOTE 24 BORROWINGS

		2014	Consolidated 2013
	Note	\$'000	\$'000
CURRENT			
Secured liabilities at amortised cost:			
Hire purchase liabilities	(c), 28(iii)	1,629	2,211
Lease liabilities	(c), 28(ii)	728	673
Bank loans	(a)	13,682	5,300
Other		29	361
Total Borrowings		16,068	8,545
NON-CURRENT			
Secured liabilities at amortised cost:			
Hire purchase liabilities	(c), 28(iii)	956	2,366
Lease liabilities	(c), 28(ii)	2,073	2,667
Bank loans	(a)	5,000	8,975
Total Borrowings		8,029	14,008

- (a) The bank loans of the Group are secured by fixed and floating charges registered by mortgage debenture over assets and undertakings of the parent entity and its subsidiaries along with interlocking guarantees and indemnities for \$73,660,000 between the parent entity and its subsidiaries.
- During the period the bank facilities were renegotiated with the Company's bank. The term facilities amounting to \$10,300,000 were extended to 30 March 2016. The key remaining facilities amounting to \$59,500,000, which are reviewed annually as a matter of course, were extended to 30 November 2014.
- The covenants within the bank borrowings have the following ratio as at 30 June 2014:
- Monthly debt service cover greater than 0.433 times,
 - Monthly senior debt leverage ratio less than 4.148 times,
 - Monthly total leverage ratio less than 7.15 times, and
 - Monthly trading ratio greater than 0.896 times.
- (b) Included in Current Bank loans above are \$8,382,000 working capital facilities that are subject to annual rollover with the bank and term debt amortisation payments of \$5,300,000 due prior to 30 June 2015.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014

NOTE 24 BORROWINGS (CONTINUED)

	2014	Consolidated 2013
	\$'000	\$'000
Total financial assets pledged as security		
CURRENT		
Cash and cash equivalents	5,297	2,009
Trade and other receivables	86,403	85,190
Inventories	4,696	5,202
Tax assets	1,483	1,206
	97,879	93,607
NON-CURRENT		
Trade and other receivables	1,279	1,279
Investment in Joint Venture	165	-
Other financial assets	3	3
Property, plant & equipment	14,819	17,866
Deferred tax assets	8,564	1,981
Goodwill	15,185	55,185
Other intangible assets	6,032	7,473
	46,047	83,787
	143,926	177,394

(c) Lease liabilities and hire purchase liabilities are effectively secured as the rights to the assets recognised in the financial statements revert to the financier in the event of default.

Actual interest rates for HP liabilities outstanding during the year ranged between 5.80% and 8.35%. Actual interest rates for lease liabilities outstanding during the year ranged between 5.57% and 9.46%. Actual interest rates for bank loans outstanding during the year was 8.59%.

(d) There were no defaults or breaches of any loan agreements during the current year.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014

NOTE 25 PROVISIONS

		2014	Consolidated 2013
	Note	\$'000	\$'000
Employee benefits	(i)	9,892	9,272
Other provisions (see below)		11,519	-
		21,411	9,272
CURRENT		19,738	8,054
NON-CURRENT		1,673	1,218
		21,411	9,272

Other Provisions	Office of State Revenue (ii)	Make Good (iii)	Note	Project Provisions (iv)	Total
Balance as at 1 Jul 2013	-	-		-	-
Transferred from Trade and other payables as at 1 July 2013	2,000	-		500	2,500
Transferred from Other liabilities	-	242		-	242
Additional provisions recognised	-	17	(v)	8,760	8,777
Balance as at 30 June 2014	2,000	259		9,260	11,519

(i) The provision for employee benefits represents annual leave and vested and non-vested long service leave entitlements accrued.

(ii) The provision for NSW Office of State Revenue (OSR) relates to the following:

BSA has previously advised the market about a possible payroll-tax related liability with the NSW Office of State Revenue (OSR). BSA has continued, along with our legal representatives to constructively work with the OSR to ensure an equitable and timely conclusion to this matter. BSA has a provision in its FY14 accounts of \$2,000,000 (FY13 \$2,000,000) and at this time there is no further information that would suggest this provision should be changed.

(iii) The provision for make good represents the estimated cost of work to comply with make good provisions in certain Group property leases.

(iv) The provision for project provisions represents the expected cost of obligations under construction contracts recognised at the Directors' best estimate of the expenditure to settle the Group's obligation. The FY14 result was impacted by specific project provisions taken up during the year.

(v) Additional project provisions of \$8,760,000 relating to legacy project issues provided during the current year.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014

NOTE 26 ISSUED CAPITAL

(a) Share capital

	Note	Parent Entity	
		2014 Number of Shares	2013 Number of Shares
Ordinary shares - fully paid	(c)	228,861,202	228,861,202

(b) Movements in ordinary share capital

Date	Details	Number of Shares	\$'000
1 July 2012	Opening Balance	228,861,202	77,797
1 July 2013	Opening Balance	228,861,202	77,797
30 June 2014	Balance	228,861,202	77,797

Changes to the Corporations Law abolished the authorised capital and par value concept in relation to share capital from 1 July 1998. Therefore the Company does not have a limited amount of authorised capital and issued shares do not have a par value.

(c) Ordinary Shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held. On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

(d) Options

At 30 June 2014 no options were held over ordinary shares of the Company.

Share options granted under the Share Option Plan carry no rights to dividends and no voting rights. Further information relating to the BSA Limited Employee Option Plan, including details of options issued, exercised and lapsed during the financial year and options outstanding at the end of the financial year, is set out in Note 31.

(e) Executive Securities Plan

The Company has established an Executive Securities Plan as a mechanism to provide the Company's key Executives with a direct equity involvement and incentive in the Company which aligns them with the shareholders.

(f) Dividend Reinvestment Plan

The Company has established a dividend reinvestment plan under which holders of ordinary shares may elect to have all or part of their dividend entitlements satisfied by the issue of new ordinary shares rather than by being paid in cash. The Dividend Reinvestment Plan has been suspended since the final dividend for 30 June 2012.

(g) Rights

Information relating to the BSA Limited Performance Rights Plan, including details of rights issued, exercised and lapsed during the financial year and rights outstanding at the end of the financial year, is set out in Note 31.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014

NOTE 27 RESERVES AND ACCUMULATED LOSSES

	2014	Consolidated 2013
	\$'000	\$'000
(a) Reserves		
Cash flow hedging reserve	(6)	(41)
Share-based payments reserve	1,301	1,354
	1,295	1,313
Cash flow hedging reserve		
Opening balance	(41)	(25)
Gain/(Loss) recognised on cash flow hedges	35	(16)
Closing balance	(6)	(41)
<p>The cash flow hedging reserve represents the cumulative portion of gains and losses on hedging instruments deemed effective in cash flow hedges. The cumulative deferred gain or loss on the hedging instrument is reclassified to profit or loss only when the hedged transaction affects the profit or loss, or is included as a basis adjustment to the non-financial hedged item, consistent with the relevant accounting policy.</p>		
Share-based payments reserve		
Opening balance	1,354	1,522
Rights expense	42	(129)
Shares issued in satisfaction of performance conditions	(95)	(39)
Closing balance	1,301	1,354
<p>The share-based payments reserve relates to share options and share rights granted to employees under the Employee Share Option Plan and the Employee Performance Rights Plan. Further information about share-based payments to employees is set out in note 31.</p> <p>The share-based payments reserve records items recognised as expenses on valuation of employee share options and rights.</p>		
(b) Accumulated losses		
Movements in accumulated losses were as follows:		
Balance at beginning of year	(8,177)	(8,177)
Net loss for the year	(54,847)	-
Balance at end of year	(63,024)	(8,177)
(c) Profit Reserve		
Movements in profit reserve were as follows:		
Balance at beginning of year	3,862	3,532
Net profit for the year	-	3,763
Dividends	-	(3,433)
Balance at end of year	3,862	3,862

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014

NOTE 27 RESERVES AND ACCUMULATED LOSSES (CONTINUED)

(d) Dividends on equity instruments

	Year ended 30/06/14		Year ended 30/06/13	
	Cents per share	Total '000	Cents per share	Total '000
Recognised amounts				
Fully paid ordinary shares				
Interim dividend:	-	-	0.50	1,144
Final dividend:	-	-	1.00	2,289
Unrecognised amounts				
Fully paid ordinary shares				
Final dividend:	-	-	-	-
The Directors have not recommended the payment of a final dividend in respect of the year ending 30 June 2014.				

(e) Franked credits

	Consolidated	
	2014 \$'000	2013 \$'000
Franking account balance as at 30 June	16,285	17,361

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014

NOTE 28 CAPITAL AND LEASING COMMITMENTS

		Consolidated	
	Note	2014 \$'000	2013 \$'000
(i) Operating Lease Commitments			
The Group leases various offices and warehouses under non-cancellable operating leases expiring within one to five years. The leases have varying terms, escalation clauses and renewal rights. On renewal, the terms of the leases are renegotiated.			
Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:			
Within one year		4,797	4,254
Later than one year but not later than five years		4,090	9,907
Later than five years		-	-
		8,887	14,160
(ii) Finance Lease Commitments			
The Group leases various plant and equipment with a carrying amount of \$3,323,000 (2013: \$3,895,000) under finance leases expiring within one to four years. Under the terms of the leases, the Group has the option to acquire the leased assets after paying the residual amount on expiry of the leases.			
Commitments in relation to finance leases are payable as follows:			
Within one year		936	877
Later than one year but not later than five years		2,280	2,940
Later than five years		-	-
Minimum lease payments		3,216	3,817
Less future finance charges		(415)	(477)
Total Lease Liability		2,801	3,340
Represented by:			
Current liability	24	728	673
Non-current liability	24	2,073	2,667
		2,801	3,340
(iii) Hire Purchase Commitments			
The Group has purchased various plant and equipment with a carrying amount of \$1,362,000 (2013: \$2,361,000) under hire purchase agreements expiring within one to four years. Under the terms of the agreements, the Group has the option to acquire the assets after paying the residual amount on expiry of the agreements.			
Commitments in relation to hire purchase agreements are payable as follows:			
Within one year		1,832	2,499
Later than one year but not later than five years		979	2,442
Later than five years		-	-
Minimum payments		2,811	4,941
Less future finance charges		(226)	(364)
Total Hire Purchase Liability		2,585	4,577
Represented by:			
Current liability	24	1,629	2,211
Non-current liability	24	956	2,366
		2,585	4,577

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014

NOTE 29 SEGMENT INFORMATION

(a) AASB 8 Operating Segments

AASB 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance.

(b) Products and services from which reportable segments derive their revenues

The Group is organised into the following reportable segments:

Technical Field Force Solutions (TFFS)

Technical Field Force Solutions provides contracting services to the telecommunications, subscription television and communication industries. The contracting services include the delivery of bundled services over hybrid fibre coax network, the installation of subscription television, the installation of free to air television antennas and security systems.

Technical Design and Construction Projects (TDCP)

Technical Design and Construction Projects provides the design and installation of building services for commercial and industrial buildings including: Mechanical Services, Air Conditioning, Heating and Ventilation, Refrigeration and Fire services.

Technical Maintenance Services (TMS)

Technical Maintenance Services provides the maintenance of building services for commercial and industrial buildings including: Mechanical Services, Air Conditioning, Heating and Ventilation, Refrigeration and Fire services.

(c) Segment revenues and results

The following is an analysis of the Group's revenue and results by reportable operating segments:

	Revenue Year Ended		Segment Profit Year Ended	
	30 Jun 14	30 Jun 13	30 Jun 14	30 Jun 13
	\$'000	\$'000	\$'000	\$'000
Technical Field Force Solutions	158,933	134,805	(9,356)	3,660
Technical Design and Construction Projects	234,138	249,706	(33,734)	3,521
Technical Maintenance Services	98,525	89,763	(9,436)	2,631
Other	94	310	-	-
	491,690	474,584	(52,526)	9,812
Corporate costs including acquisition, legal and advisory			(6,457)	(5,082)
Finance costs			(2,319)	(1,932)
(Loss)/Profit before tax			(61,302)	2,798

Segment revenue reported above represents revenue generated from external customers. There were no inter-segment sales in the current year (2013: Nil)

The accounting policies of the reportable segments are the same as the Group's accounting policies described in note 3. Segment profit/loss represents the profit/loss earned by each segment without allocation of central administration costs and Directors' salaries, investment income, gains and losses, finance costs and income tax expense. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014

NOTE 29 SEGMENT INFORMATION (CONTINUED)

(d) Segment assets and liabilities

	Year Ended	
	30 Jun 14	30 Jun 13
	\$'000	\$'000
Segment assets		
Technical Field Force Solutions	86,105	100,561
Technical Design and Construction Projects	54,083	60,311
Technical Maintenance Services	3,738	16,522
Consolidated assets	143,926	177,394
Segment liabilities		
Technical Field Force Solutions	57,977	44,073
Technical Design and Construction Projects	53,775	42,592
Technical Maintenance Services	12,244	15,934
Consolidated liabilities	123,996	102,599

For the purposes of monitoring segment performance and allocating resources between segments.

- * All assets, except cash, are allocated to reportable segments. In 2014, cash is allocated to TFFS, who operate the Group's treasury. Goodwill is allocated to reportable segments as described in note 17. Assets used jointly by reportable segments are allocated on the basis of the revenues earned by individual reportable segments; and
- * All liabilities are allocated to reportable segments. Liabilities for which reportable segments are jointly liable are allocated in proportion to segment assets.

(e) Other segment information

	Depreciation and amortisation		Additions to non-current assets	
	Year Ended		Year Ended	
	30 Jun 14	30 Jun 13	30 Jun 14	30 Jun 13
	\$'000	\$'000	\$'000	\$'000
Continuing operations				
Technical Field Force Solutions	2,994	3,055	2,500	5,149
Technical Design and Construction Projects	2,379	2,528	420	1,570
Technical Maintenance Services	2,956	2,859	1,034	2,892
	8,329	8,442	3,954	9,611

In addition to the depreciation and amortisation reported above, impairment losses of \$40,000,000 (2013: nil) were recognised in respect of goodwill. These impairment losses were attributable to the following reportable segment.

	30 Jun 14	30 Jun 13
	\$'000	\$'000
Impairment losses recognised for the year in respect for goodwill		
Technical Field Force Solutions	11,490	-
Technical Design and Construction Projects	18,957	-
Technical Maintenance Services	9,553	-
	40,000	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014

NOTE 29 SEGMENT INFORMATION (CONTINUED)

(f) Geographical information

The Group only operates in Australia.

The Group's revenue from continuing operations from external customers and information about its non-current assets by geographical location are detailed below:

	Revenue from external customers		Non-current assets	
	Year ended		Year Ended	
	30 Jun 14	30 Jun 13	30 Jun 14	30 Jun 13
	\$'000	\$'000		\$'000
Australia	491,791	474,584	46,047	83,787
	491,791	474,584	46,047	83,787

(g) Information about major customers

The Group has a number of customers to whom it provides both products and services. The Group supplies a single external customer in the Technical Field Force Solutions segment who accounts for 22% of external revenue (2013:18%). The Group's next most significant client is in the Technical Design and Construction segment and accounts for 7% of external revenue (2013: 13%).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014

NOTE 30 CASH FLOW INFORMATION FOR THE PERIOD

	Consolidated	
	2014	2013
	\$'000	\$'000
(a) Reconciliation of (loss)/profit to net cash flows from operating activities for the year		
(Loss)/Profit for the year	(54,847)	3,763
Depreciation	6,888	7,002
Amortisation	1,441	1,440
Impairment of Intangibles	40,000	-
Share-based payment expense	42	(129)
Net (profit) on sale of non-current assets	(84)	(47)
Change in operating assets and liabilities		
Decrease/(increase) in trade receivables	6,660	(9,636)
Decrease/(increase) in inventories	506	(2,161)
Increase in deferred tax asset	(6,583)	(538)
(Increase)/decrease in other operating assets	(7,873)	3,638
Increase/(decrease) in trade payables	6,411	(1,362)
Increase/(decrease) in other operating liabilities	1,158	(12,894)
(Increase) in tax receivable	(277)	(5,878)
Increase in provisions	12,139	278
Net cash generated/(used by) operating activities	5,581	(16,524)

	Consolidated	
	2014	2013
	\$'000	\$'000
(b) Non-cash transactions		
(i) During the year the consolidated entity acquired plant and equipment with an aggregate value of \$470,000 (2013:\$3,942,000) by means of finance leases. These acquisitions are not reflected in the cash flow statement.		
(c) Working Capital Facilities		
Credit facility	27,000	16,000
Amount utilised	(8,382)	-
Unused credit facility	18,618	16,000

The major facility is summarised as follows:

A working capital facility which covers the financial requirements of the day to day operations of the Group.

(d) Master Asset Finance Facility		
Total asset finance facility	7,500	10,500
Used at balance date	(5,386)	(7,917)
Total unused Master Asset Finance Facility	2,114	2,583

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014

NOTE 30 CASH FLOW INFORMATION FOR THE PERIOD (CONTINUED)

	2014	Consolidated 2013
	\$'000	\$'000
(e) Loan facilities		
Loan facilities	10,300	14,636
Amount utilised	(10,300)	(14,636)
Unused loan facility	-	-

The major facilities are summarised as follows:

Acquisition Finance Loans

Loan 1 is for \$2,375,000 and is fully drawn and has an expiry date of 30 March 2016. The current interest rate is 8.59% (2013: 8.77%) Loan 2 is for \$1,625,000 and is fully drawn and has an expiry date of 30 March 2016. The current interest rate is 8.59% (2013: 8.77%). Loan 3 is for \$6,300,000 and has an expiry date of 30 March 2016. The current interest rate is 8.59% (2013: 8.77%).

Finance will be provided under the facility provided the Company and the consolidated entity has not breached any borrowing requirements and the required financial ratios are met. During the year, the Company and the consolidated entity have not breached any borrowing requirements.

(f) Guarantees

Guarantees to the value of \$23,328,000 were utilised at 30 June 2014 (2013: \$23,276,000), are secured by fixed and floating charge to the bank over the assets of the Company together with guarantees in favour of the parent given by all controlled entities.

(g) Surety Bonds

Surety Bonds of which \$13,703,000 were utilised at 30 June 2014 (2013: \$23,606,000), are unsecured.

NOTE 31 SHARE-BASED PAYMENTS

(a) Employee Option Plan

The establishment of the BSA Limited Employee Option Plan was approved by shareholders at the 2004 AGM. Staff eligible to participate are those who are full-time or permanent part-time employees of any company in the Group, including an Executive Director and Non-Executive Director of the company and whom the Board of Directors has sole discretion to determine to be eligible to participate but does not include a person who has a relevant interest in greater than 5% of the issued ordinary share capital of the Company.

The exercise price and exercise period applicable to any options to be offered under the Option Plan will, at or before the time of issuing an invitation to eligible employees to subscribe for options, be determined by the Board in its absolute discretion.

Subject to any restrictions in the Listing Rules or the Corporations Act 2001, the Board may in its absolute discretion impose on the options such other terms as it considers appropriate.

As soon as practicable after receipt of a valid notice of exercise of an option together with the exercise price the Company will allot the appropriate number of ordinary shares. Any shares issued on the exercise of the options granted pursuant to the resolution will be officially quoted and will rank equally with all other shares on issue in the Company and all the rights and entitlements of the holders in respect of those shares will be identical to the rights and entitlements of the holders of the currently issued shares in the Company.

Options can only be exercised after three years if the employee remains in the employment of the Company and the option will then expire two years after this date. If the employee terminates their employment within the three years, the option is exercisable for 12 months from the date after termination. If the Company is subject to a takeover the option will vest and be exercisable for a period of three months.

Options may not be transferred, though prior to issue a nominee may be advised for consideration by the Board.

There were no options outstanding at 30 June 2014 (2013: Nil).

Fair value of options granted

There have been no options granted since 25 November 2004.

There is no employee benefits expense in the Consolidated Statement of Profit or Loss and Other Comprehensive Income (2013: nil), which relates, in full, to equity-settled share-based payment transactions.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014

NOTE 31 SHARE-BASED PAYMENTS (CONTINUED)

(b) Employee Share Scheme

A scheme under which shares were issued by the Company to employees for no cash consideration was ratified by shareholders at the 2004 AGM. All permanent employees (including Executive Directors) who were continuously employed by the consolidated entity for a period of at least one year were eligible to participate in the scheme. Employees could elect not to participate in the scheme.

Under the scheme, eligible employees were offered \$1,000 worth of fully-paid ordinary shares in BSA Limited for the Year Ended 30 June 2004 for no cash consideration. The market value of shares issued under the scheme, measured as the weighted average market price on the day of issue of the shares, was recognised in the balance sheet as share capital and as part of employee benefit cost.

Offers under the scheme are at the discretion of the Company. No offers were made during year the ended 30 June 2014 (2013: Nil).

Shares under the scheme may not be sold until the earlier of three years after issue or cessation of employment with the consolidated entity. In all other aspects the shares rank equally with other fully-paid ordinary shares on issue (see note 26(c)).

The number of shares issued to participants in the scheme is the offered amount divided by the weighted average price at which the Company's shares are traded on the Australian Stock Exchange during the five trading days immediately before the date of the offer.

(c) Executive Securities Plan

The establishment of the BSA Executive Securities Plan was approved by shareholders at the 2005 AGM. The Plan was established as a mechanism to provide the Company's key Executives with a direct equity involvement and incentive in the Company which aligns them with the shareholders.

The number of securities to be offered and the time at which securities may be offered from time to time to Executives and the price and terms of payment, shall be determined by the Board in its discretion.

The Board may at such times as it determines invite any Executive to be a member of the Plan.

If an Executive to whom an invitation has been issued forwards to the Company a duly completed Loan Application and the Transfer Documents together with his acceptance, and where appropriate his Application for Shares, then the Company shall, in accordance with the terms of the Loan Agreement, lend to the Executive such amount as the Executive has applied for in the Loan Application.

The maximum amount of any Loan shall be the total subscription price for the shares applied for.

No interest is payable by the borrower under the Loan Agreement.

An Executive shall not sell, mortgage, charge, assign or otherwise dispose of or encumber any shares before payment or repayment of any amount outstanding to the Company in respect thereof.

Subject to the above restriction and to the terms of the Loan Agreement (if any) deemed to be entered into by the Executive, an Executive shall from the Date of Allotment, be the absolute beneficial owner of the shares.

Unless the Directors of the Company otherwise provide in the terms of any Invitation, all Plan Shares shall rank for dividends declared on or after the Date of Allotment and shall in all respects rank equally with and have the same rights and entitlements as all other fully paid ordinary shares of the Company.

Under the Loan Agreement, the borrower shall repay the balance outstanding of the Outstanding Principal when the borrower ceases to be an employee or Director of the Lender. BSA Limited has adopted the policy of having a rolling three year maturity date for all Executives who do not have a termed employment contract.

Set out below are summaries of securities accepted under the plan:

Consolidated and parent entity						
Grant Date	Expiry Date	Issue Price (cents)	Balance at Start of the Year Number	Granted During the Year Number	Released from Escrow During the Year Number	Balance in Escrow at End of the Year Number
13 Oct 2006		0.23	700,000	-	-	700,000
19 Jul 2007		0.63	1,600,000	-	-	1,600,000
11 Sep 2007		0.68	150,000	-	-	150,000
13 Sep 2007		0.68	200,000	-	-	200,000
14 Dec 2007		0.68	400,000	-	-	400,000
10 Feb 2009		0.10	1,700,000	-	-	1,700,000
Total			4,750,000	-	-	4,750,000

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014

NOTE 31 SHARE-BASED PAYMENTS (CONTINUED)

(d) Employee Performance Rights Plan

The establishment of the BSA Employee Performance Rights Plan was approved by shareholders at the 2008 AGM. The Plan was established to reward selected eligible employees and to:

- Provide an incentive for the creation of, and focus on, shareholder wealth;
- Enable the Company to recruit and retain the talented people needed to achieve the Company's business objectives;
- Link the reward of key staff with the achievement of strategic goals and the performance of the Company;
- Align the financial interests of participants in the Plan with those of Company shareholders; and
- Ensure the remuneration packages of employees are consistent with market practice.

Securities may be offered under the Plan and the Board has discretion to determine who is offered the opportunity to participate.

Generally, securities are subject to a holding restriction and cannot be traded unless certain performance conditions are met or as otherwise specified at the time of the relevant award after acquisition by the participant.

Rights to acquire shares will not be exercisable until the end of the final measurement period, and until those rights have satisfied all vesting conditions and all performance hurdles established by the Board. This is subject to a number of exceptions (including death, cessation of employment, takeovers and schemes of arrangement). The rights have a specified life determined by the Board. The initial grant of rights (the Grant Date) will have a life terminating five years after the Grant Date or such other date as determined by the Board (the Expiry Date).

Rights granted to certain participants in the initial grant will be at zero vesting value and will be subject to the following performance conditions as determined by the Board:

- Service condition of three years; or
- The Company's performance as measured by earnings per share ("EPS") being the EPS for the relevant Measurement Period as determined by the Board having regard to the financial statements. Certain growth in EPS for the shares must be attained in respect of each Measurement Period and pro rata in respect of each Measurement Period and service condition of three years.

The Board will prescribe the date when performance under the hurdle is measured for each tranche.

On or after the end of the final measurement period and provided any performance hurdle prescribed by the Board has been achieved and, where applicable, to the extent it has been achieved, the Plan Participant may then acquire shares by exercising the rights.

A right lapses if it is not exercised by the Expiry Date.

The Exercise Price (if any) will be an amount determined by the Board from time to time, fixed at the date of grant or determined by application of methodology approved by the Board.

Once Rights have been exercised by an Eligible Employee (subject to certain Performance Conditions being met), the Company may make non-refundable contributions to the Plan Company to either:

- fund the purchase of a new Plan Share; or
- the acquisition on the ASX of an existing share and transfer to the participant of that share, to which the Participant is entitled under the rights.

The plan company is Computershare Plan Co Pty Limited ACN 098 404 696 or any other Company that the Board may approve from time to time. After rights are exercised, the plan company will subscribe for new shares or acquire shares in the ordinary course of trading on the ASX for participants, as directed from time to time by the Board.

Consolidated and parent entity

Grant Date	Exercise Date	Expiry Date	Issue Price (cents)	Balance at Start of the Year Number	Granted During the Year Number	Released from	Cancelled During the Year Number	Balance in Escrow at End of the Year Number
						Escrow During the Year Number		
10 Feb 2009	10 Feb 2012	10 Feb 2014	-	115,000	-	(115,000)	-	-
29 Sep 2009	29 Sep 2012	29 Sep 2014	-	986,967	-	(78,967)	(454,000)	454,000
24 Aug 2010	24 Aug 2013	24 Aug 2015	-	1,365,500	-	(457,500)	(454,000)	454,000
14 Nov 2011	14 Nov 2014	14 Nov 2016	-	3,096,000	-	(74,000)	(1,973,000)	1,049,000
Total				5,563,467	-	(725,467)	(2,881,000)	1,957,000

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014

NOTE 32 EVENTS OCCURING AFTER THE BALANCE SHEET DATE

The Directors are not aware of any significant events since the end of the reporting period.

NOTE 33 RELATED PARTY TRANSACTIONS

Transactions between related parties are on normal commercial terms and conditions no more favourable than those to other parties unless otherwise stated.

(a) Transactions with related parties:

	2014	2013
	\$	\$

Consolidated Entity

Rent was paid to The Day Street Unit Trust in which M Lowe, a Director, has a beneficial interest	108,000	96,000
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Outstanding balances arising from purchases of services

The following balances are outstanding at the reporting date in relation to transactions with related parties:

Purchase of services

Rent for premises from Director	-	192,000
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(b) Equity instrument disclosures relating to key management personnel

(i) Rights holdings

The numbers of rights over ordinary shares in the Company held during the financial year by each Director of BSA Limited and other key management personnel of the Group, including their personally related parties, are set out below.

2014	Balance at Start of Year	Granted as Compensation	Rights Exercised	Net Change Other	Balance at End of Year	Vested but Not Exercisable	Vested and Exercisable	Rights Vesting During Year
Stephen Nash	1,360,000	-	-	(1,360,000)	-	-	-	-
Karl Nixon	1,521,000	-	-	(1,521,000)	-	-	-	-
	2,881,000	-	-	(2,881,000)	-	-	-	-

2013	Balance at start of year	Granted as Compensation	Rights Exercised	Net Change Other	Balance at end of year	Vested but not exercisable	Vested and exercisable	Rights vesting during year
Stephen Nash	1,360,000	-	-	-	1,360,000	-	-	-
Karl Nixon	1,521,000	-	-	-	1,521,000	-	-	-
	2,881,000	-	-	-	2,881,000	-	-	-

Further details of schemes can be found in the Directors' Report.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014

NOTE 33 RELATED PARTY TRANSACTIONS (CONTINUED)

(ii) Share holdings

The numbers of shares in the Company held during the year by each Director of BSA Limited and other key management personnel of the Group, including their personally related parties, are set out below. There were no shares granted during the reporting period as compensation.

2014	Balance at the start of the year	Rights Exercised	Other Changes During the Year	Balance at the End of the Year	Balance Held Nominally
Directors of BSA Limited					
Ordinary Shares					
Ross Johnston	1,209,315	-	-	1,209,315	-
Mark Lowe	10,115,403	-	-	10,115,403	-
Paul Teisseire	404,769	-	-	404,769	-
Michael Givoni	230,000	-	-	230,000	-
Max Cowley	-	-	63,057,156	63,057,156	63,057,156
Daniel Collis	58,333,195	-	(58,333,195)	-	-
Ordinary Shares - Escrowed					
Mark Lowe	200,000	-	-	200,000	-
	70,492,682	-	4,723,961	75,216,643	63,057,156

2013	Balance at the start of the year	Rights Exercised	Other Changes During the Year	Balance at the End of the Year	Balance Held Nominally
Directors of BSA Limited					
Ordinary Shares					
Ross Johnston	1,634,315	-	(425,000)	1,209,315	-
Mark Lowe	10,115,403	-	-	10,115,403	-
Paul Teisseire	404,769	-	-	404,769	-
Michael Givoni	230,000	-	-	230,000	-
Max Cowley	58,333,195	-	(58,333,195)	-	-
Daniel Collis	-	-	58,333,195	58,333,195	58,333,195
Ordinary Shares - Escrowed					
Mark Lowe	200,000	-	-	200,000	-
	70,917,682	-	(425,000)	70,492,682	58,333,195

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014

NOTE 33 RELATED PARTY TRANSACTIONS (CONTINUED)

(c) Executive Securities Loans

	Opening Balance \$000	Balance at End of Year \$000	Notional Interest Charged \$000	Notional Interest Not Charged \$000	Provision for Impairment \$000	Number of Individuals
2014	1,473	1,473	90	-	-	11
2013	1,477	1,473	90	-	-	11
2012	2,552	1,477	93	-	-	11
2011	2,656	2,552	44	-	-	13
2010	2,487	2,656	334	-	-	13
2009	2,437	2,487	171	-	-	13
2008	1,029	2,437	148	-	-	13
2007	833	1,029	63	-	-	6
2006	807	833	26	-	-	1

Individuals with loans above \$100,000 in reporting period

2014	Opening Balance \$	Notional Interest Charged Using Effective Interest Rate Method \$	Balance at End of Year \$	Highest Balance During Period \$
Brendan Foley	490,499	34,334	490,499	490,499
Ray Larkin	188,844	13,219	188,844	188,844
Leaston Paull	188,844	13,219	188,844	188,844
Bryce Wood	160,332	11,223	160,332	160,332
Peter Tripodi *	143,750	-	143,750	143,750
Younis Tehfe	112,397	7,868	112,397	112,397

* Balance at year end stated at actual date to the terms of the loans

2013	Opening Balance \$	Notional Interest Charged Using Effective Interest Rate Method \$	Balance at End of Year \$	Highest Balance During Period \$
Brendan Foley	490,499	34,334	490,499	490,499
Ray Larkin	188,844	13,219	188,844	188,844
Leaston Paull	188,844	13,219	188,844	188,844
Bryce Wood	160,332	11,223	160,332	160,332
Peter Tripodi *	147,500	-	143,750	147,500
Younis Tehfe	112,397	7,868	112,397	112,397

* Balance at year end stated at actual due to the terms of the loans.

The above current loans represent unsecured loans to purchase shares in BSA Limited which was passed at a meeting of members held on 12 December 2005. The shares were issued between 13 October 2006 and 10 February 2009 at values ranging from 10.0 cents per share and 68.0 cents per share. The loans are repayable on the termination of each individual from the Company and do not bear interest. These loans have been booked into the accounts at net present value on a rolling three year basis.

At the discretion of the Board, the above loan to Peter Tripodi was not repaid at the termination date. The outstanding principal is now due and receivable and actions to recover are under way.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014

NOTE 34 FINANCIAL INSTRUMENTS

Fair value of financial instruments carried at amortised cost

The Directors consider that the carrying amounts of financial assets and financial liabilities recognised at amortised cost in the financial statements approximate their fair values.

	2014	Consolidated 2013
	\$'000	\$'000
Financial Assets		
Cash and cash equivalents	5,297	2,009
Loans and receivables		
Trade and other receivables	87,682	86,469
Financial Assets at amortised cost	92,979	88,478
Financial liabilities		
Financial liabilities held at amortised cost		
Trade and other payables	78,488	70,532
Borrowings	24,097	22,553
Financial liabilities at amortised cost	102,585	93,085

NOTE 35 FINANCIAL RISK MANAGEMENT

(a) General objectives, policies and processes

In common with all other businesses, the Group is exposed to financial risks that arise. This note describes the Group's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

There have been no substantive changes in the Group's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

The principal financial instruments from which financial instrument risk arises are:

- Trade receivables;
- Cash at bank;
- Bank overdrafts;
- Trade and other payables; and
- Borrowings.

The Board has overall responsibility for the determination of the Group's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Group's Finance function. The Group's risk management policies and objectives are therefore designed to minimise the potential impacts of these risks on the results of the Group where such impacts may be material. The Board receives monthly reports from the Finance department through which it reviews the effectiveness of the processes put in place and the objectives and policies it sets. The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Group's competitiveness and flexibility. Further details regarding these policies are set out below.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014

NOTE 35 FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Credit Risk

Credit risk is the risk that the other party to a financial instrument will fail to discharge their obligation resulting in the Group incurring a financial loss. This usually occurs when debtors fail to settle their obligations owing to the Group.

Trade receivables consist of a large number of customers. The Group does not have significant credit risk exposure to any single counterparty or group of counterparties having similar characteristics. The Group defines counterparties as having similar characteristics if they are related entities. Concentration of credit risk to the largest counterparty did not exceed 12% of gross monetary assets at balance date. Concentration of credit risk to any other counterparty did not exceed 10% of gross monetary assets at balance date.

The maximum exposure to credit risk at balance date is as follows:

	Consolidated	
	2014	2013
	\$'000	\$'000
Receivables	87,682	86,469
	87,682	86,469

Included in loans and receivables, the most significant customer accounts for 13.3% of trade receivables at 30 June 2014 (2013:9.4%).

The maximum exposure to credit risk at balance date by country is as follows:

	Consolidated	
	2014	2013
	\$'000	\$'000
Australia	87,682	86,469
	87,682	86,469

The maximum exposure to credit risk for cash and trade receivables at balance date by type of customer is as follows:

	Consolidated	
	2014	2013
	\$'000	\$'000
Technical Field Force Solutions	29,482	25,812
Technical Design and Construction Projects	49,531	47,111
Technical Maintenance Services	8,669	13,546
	87,682	86,469

The Group's most significant customer, a Technical Design and Construction Projects customer, accounts for \$10,221,000 of trade receivables at 30 June 2014. At 30 June 2013, the Group's most significant customer was a Technical Design and Construction Projects customer which accounted for \$8,416,000.

All major customers are credit worthy, as detailed above

The Group has significant concentration of credit risk as all loans and lease liabilities are with the one financial institution.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014

NOTE 35 FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Liquidity risk

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has established an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities. The table below sets out details of additional undrawn facilities that the Group has at its disposal to further reduce liquidity risk.

Financing arrangements

The following financing facilities were available at balance date:

	2014	2013
	\$'000	\$'000
<i>Consolidated</i>		
Working Capital Facilities		
Total facilities:		
Multi Option Facility	11,000	-
Debtor Finance Facility	16,000	16,000
	27,000	16,000
Used at balance date:		
Multi-Option Facility	-	-
Debtor Finance Facility	8,382	-
	8,382	-
Unused at balance date:		
Multi-Option Facility	11,000	-
Debtor Finance Facility	7,618	16,000
Total unused Working Capital Facility	18,618	16,000
Bank loans		
Total facilities:	10,300	14,275
Used at balance date	10,300	14,275
Total unused Term Loans	-	-
Total unused credit facilities at balance date	18,618	16,000
Master Asset Finance Facility		
Total facilities:	7,500	10,500
Used at balance date	5,386	7,917
Total unused Master Asset Finance Facility	2,114	2,583
Total unused Facilities at balance date	20,732	18,583

Refer Note 24(a) for details of terms of financing arrangements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014

NOTE 35 FINANCIAL RISK MANAGEMENT (CONTINUED)

Maturity Analysis - Group

The following table details the Group's remaining contractual maturity for its financial liabilities with agreed repayment periods. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows. To the extent that interest flows are at floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Group may be required to pay.

The table below includes the weighted average effective interest rate and a reconciliation to the carrying amount in the Statement of Financial Position as an example of summary quantitative data about exposure to interest rates at the end of the reporting period that an entity may provide internally to management personnel.

Financial Liabilities	Carrying Amount	Contractual Cash Flows	< 6 mths	6- 12 mths	1-3 years	> 3 years
30 June 2014	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Bank loans	18,682	20,032	11,806	2,950	5,276	-
Other	29	29	29	-	-	-
Trade creditors	45,971	45,971	45,971	-	-	-
Other payables	53,928	53,928	53,928	-	-	-
Finance lease liabilities	5,386	6,027	1,384	1,384	3,259	-
TOTAL	123,996	125,987	113,118	4,334	8,535	-

30 June 2013	Carrying Amount	Contractual Cash Flows	< 6 mths	6- 12 mths	1-3 years	> 3 years
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Bank loans	14,275	15,293	3,189	3,073	9,031	-
Other	361	361	361	-	-	-
Trade creditors	39,560	39,560	39,560	-	-	-
Other payables	40,244	40,244	40,244	-	-	-
Finance lease liabilities	7,917	8,758	1,688	1,688	5,382	-
TOTAL	102,357	104,216	85,042	4,761	14,413	-

The following table details the Group's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Group's liquidity risk management as the liquidity is managed on a net asset and liability basis.

Financial Assets	Carrying Amount	Contractual Cash Flows	< 6 mths	6- 12 mths	1-3 years	> 3 years
30 June 2014	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Trade debtors	10,269	10,706	10,706	-	-	-
Other receivables	77,413	80,195	78,723	1	192	1,279
TOTAL	87,682	90,901	89,429	1	192	1,279

30 June 2013	Carrying Amount	Contractual Cash Flows	< 6 mths	6- 12 mths	1-3 years	> 3 years
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Trade debtors	11,315	11,399	11,399	-	-	-
Other receivables	75,154	75,751	74,279	1	192	1,279
TOTAL	86,469	87,150	85,678	1	192	1,279

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014

NOTE 35 FINANCIAL RISK MANAGEMENT (CONTINUED)

(d) Market Risk

Interest rate risk

The Group's main interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk. The risk is managed by the Group by maintaining an appropriate mix between fixed and floating rate borrowings, and by the use of interest rate swap contracts. Hedging activities are evaluated regularly to align with interest rate views and defined risk appetite, ensuring the most cost-effective hedging strategies are applied.

Sensitivity Analysis

The sensitivity analysis below has been determined based on the exposure to interest rates for both derivatives and non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 2% increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

Consolidated	Carrying Amount AUD	+2% of AUD IR		-2% of AUD IR	
		Profit	Other Equity	Profit	Other Equity
2014	\$'000	\$'000	\$'000	\$'000	\$'000
Borrowings AUD	18,682	374	-	(374)	-
Tax effect (30%)	-	(112)	-	112	-
After tax increase/(decrease)	18,682	262	-	(262)	-

The above analysis assumes all other variables remain constant.

The same analysis was performed for the period ended 2013.

Consolidated	Carrying Amount AUD	+2% of AUD IR		-2% of AUD IR	
		Profit	Other Equity	Profit	Other Equity
2013	\$'000	\$'000	\$'000	\$'000	\$'000
Borrowings AUD	14,636	293	-	(293)	-
Tax effect (30%)	-	(88)	-	88	-
After tax increase/ (decrease)	14,636	205	-	(205)	-

The above analysis assumes all other variables remain constant.

Interest rate swap contracts

Under interest rate swap contracts, the Group agrees to exchange the difference between the fixed and floating rate interest amounts calculated on agreed notional principal amounts. Such contracts enable the Group to mitigate the risk of changing interest rates on the fair value of issued fixed rate debt and the cash flow exposures on the issued variable rate debt. The fair value of interest rate swaps at the end of the reporting period is determined by discounting the future cash flows using the curves at the end of the reporting period and the credit risk inherent in the contract, and is disclosed below. The average interest rate is based on the outstanding balances at the end of the reporting period.

The following tables detail the notional principal amounts and remaining terms of interest rate swap contracts outstanding at the end of the reporting period:

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014

NOTE 35 FINANCIAL RISK MANAGEMENT (CONTINUED)

Cash flow hedges

Outstanding receive floating pay fixed contracts	Average Contracted		Notional Principal Value		Fair Value	
	Fixed Interest Rate		2014	2013	2014	2013
	2014	2013	2014	2013	2014	2013
	%	%	\$'000	\$'000	\$'000	\$'000
Less than 1 year	8.59	8.77	-	7,138	-	(41)
1 to 2 years	8.59	8.77	4,488	-	(6)	-
			4,488	7,138	(6)	(41)

The interest rate swaps settle on a quarterly basis. The floating rate on the interest rate swaps is the local interbank rate of Australia. The Group will settle the difference between the fixed and floating interest rate on a net basis.

All interest rate swap contracts exchanging floating rate interest amounts for fixed rate interest amounts are designated as cash flow hedges in order to reduce the Group's cash flow exposure resulting from variable interest rates on borrowings. The interest rate swaps and the interest payments on the loan occur simultaneously and the amount accumulated in equity is reclassified to profit or loss over the period that the floating rate interest payments on debt affect profit or loss.

Cash flow hedges are regarded as a Level 2 financial instrument. Level 2 fair value measurements are those derived from inputs other than quoted prices that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

NOTE 36 CAPITAL RISK MANAGEMENT

In managing its capital, the Group's primary objective is to ensure its continued ability to provide a consistent return for its equity shareholders through a combination of capital growth and distributions. In order to achieve this objective, the Group seeks to maintain a gearing ratio that balances risks and returns at an acceptable level and also to maintain a sufficient funding base to enable the Group to meet its working capital and strategic investment needs. In making decisions to adjust its capital structure to achieve these aims, either through altering its dividend policy, new share issues or the reduction of debt, the Group considers not only its short-term position but also its long-term operational and strategic objectives.

It is the Group's policy to review its gearing ratio to ensure adequate funds are available to meet its obligations. The Group's gearing ratio at the balance date is shown below :

Gearing ratios	Consolidated	
	2014	2013
Net (cash) / debt	18,800	20,544
Total equity	19,930	74,795
Total Gearing Ratio	94.33%	27.47%

Gearing levels have increased due to impairment of intangible assets and non-recurring project provisions and profit reductions. It is the Board's intention to monitor gearing levels going forward. There have been no other significant changes to the Group's capital management objectives, policies and processes in the year nor has there been any change in what the Group considers to be its capital.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2014

NOTE 37 OTHER EXPENSES

			Consolidated
	Note	2014	2013
Bad debt and debt collection expenses		3,005	11
Motor vehicle expenses		3,498	2,937
Travel and entertainment		3,479	2,940
Other		19,013	16,470
Total Other Expenses		28,995	22,358

NOTE 38 CONTINGENT LIABILITIES

Guarantees established in favour of National Australia Bank Limited and Swiss Re International SE for guarantees issued to various clients for satisfactory contract performance, secured by cross guarantees from all wholly owned group members amounting to \$37,031,000 (2013 - \$46,882,000).

NOTE 39 CORPORATE INFORMATION

The Financial Report of BSA Limited for the year ended 30 June 2014 was authorised for issue in accordance with a resolution of the Directors on 22 September 2014 and covers the consolidated entity consisting of BSA Limited and its subsidiaries as required by the Corporations Act 2001. BSA Limited is a company limited by shares incorporated in Australia and whose shares are publicly traded on the Australian Stock Exchange.

The financial report is presented in Australian currency.

The address of the registered office and principal place of business is:

7 Figtree Drive

Sydney Olympic Park NSW 2127

DIRECTORS' DECLARATION

FOR THE YEAR ENDED 30 JUNE 2014

The Directors declare that:

- (a) In the Directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable;
- (b) In the Directors' opinion, the attached financial statements are in compliance with International Financial Reporting Standards, as stated in note 3.1 to the financial statements;
- (c) In the Directors' opinion, the attached financial statements and notes thereto are in accordance with the *Corporations Act 2001 (Cth)*, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the consolidated entity; and
- (d) The Directors have been given the declarations required by s.295A of the *Corporations Act 2001 (Cth)*.

At the date of this declaration, the Company is within the class of companies affected by ASIC Class Order 98/1418. The nature of the deed of cross guarantee is such that each company which is party to the deed guarantees to each creditor payment in full of any debt in accordance with the deed of cross guarantee.

In the Directors' opinion, there are reasonable grounds to believe that the Company and the companies to which the ASIC Class Order applies, as detailed in note 19 to the financial statements will, as a group, be able to meet any obligations or liabilities to which they are, or may become, subject by virtue of the deed of cross guarantee.

Signed in accordance with a resolution of the Directors made pursuant to s.295(5) of the *Corporations Act 2001 (Cth)*.

On behalf of the Directors.



Ross Johnston
Chairman
Sydney

22 September 2014



Deloitte Touche Tohmatsu
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Independent Auditor's Report to the Directors of BSA Limited

Report on the Financial Report

We have audited the accompanying financial report of BSA Limited, which comprises the statement of financial position as at 30 June 2014, the statement of profit or loss and other comprehensive income, the statement of cash flows and the statement of changes in equity for the year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity, comprising the company and the entities it controlled at the year's end or from time to time during the financial year as set out on pages 44 to 103.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control, relevant to the company's preparation of the financial report that gives a true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Deloitte.

Auditor's Independence Declaration

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of BSA Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

Opinion

In our opinion:

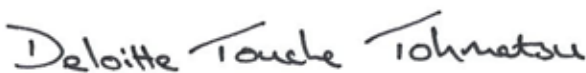
- (a) the financial report of BSA Limited is in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the company's and consolidated entity's financial position as at 30 June 2014 and of their performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and
- (b) the financial statements also comply with International Financial Reporting Standards as disclosed in Note 3.1

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 18 to 26 of the directors' report for the year ended 30 June 2014. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion the Remuneration Report of BSA Limited for the year ended 30 June 2014, complies with section 300A of the *Corporations Act 2001*.



DELOITTE TOUCHE TOHMATSU



David Black
Partner
Chartered Accountants
Parramatta, 22 September 2014

SHAREHOLDER INFORMATION

THE SHAREHOLDER INFORMATION SET OUT BELOW WAS APPLICABLE AS AT 31 AUGUST 2014

A. DISTRIBUTION OF EQUITY SECURITIES

Analysis of numbers of equity security holders by size of holding:

	Number of Holders	Ordinary Shares	Number of Holders	Options	Number of Holders	Performance Rights
1 to 1,000	163	79,534	-	-	-	-
1,001 to 5,000	556	1,791,732	-	-	-	-
5,001 to 10,000	339	2,716,984	-	-	-	-
10,001 to 100,000	869	34,336,103	-	-	10	480,000
100,001 and above	262	189,936,849	-	-	2	1,477,000
	2,189	228,861,202	-	-	12	1,957,000

There were 493 (2013: 483) holders of less than a marketable parcel of ordinary shares.

B. EQUITY SECURITY HOLDERS

Twenty largest quoted equity security holders

The names of the twenty largest holders of quoted equity securities are listed below:

Name of Holder	Ordinary Shares	
	Number Held	Percentage of Issued
BIRKETU PTY LTD	63,057,156	27.55%
AUST EXECUTOR TRUSTEES LTD <LANYON AUST VALUE FUND>	15,720,157	6.87%
MR GREG MULLANE	7,548,743	3.30%
SETLOBE PTY LTD <LOWE UNIT A/C>	7,392,405	3.23%
RUMDAB PTY LTD <BOWLES FAMILY A/C>	6,370,655	2.78%
HGT INVESTMENTS PTY LTD	6,000,000	2.62%
SAMLOWE PTY LTD <LOWE SUPER FUND A/C>	2,722,998	1.19%
CTSF PTY LTD <VC SUPERANNUATION FUND A/C>	1,775,945	0.78%
MR DAVID CAMPBELL	1,750,000	0.76%
TALOOMBI PTY LTD	1,721,257	0.75%
MR BRENDAN GERARD FOLEY	1,702,617	0.74%
AJ HARDWICK INVESTMENTS PTY LTD <HARDWICK INVESTMENT A/C>	1,250,000	0.55%
MR ROSS JAMES JOHNSTON + MRS DENISE ANN JOHNSTON <JOHNSTON FAMILY S/F A/C>	1,209,315	0.53%
EDINGTON PTY LIMITED <HERRING SUPER FUND A/C>	1,053,200	0.46%
MS SUE ELIZABETH MCGREGOR	1,000,000	0.44%
MR FRED SALOME	1,000,000	0.44%
VBS EXCHANGE PTY LTD	994,999	0.43%
MR PAUL RHYS ANDREWS	980,000	0.43%
MR PETER JOHN STIRLING + MRS ROSALIND VERENA STIRLING	905,000	0.40%
CITICORP NOMINEES PTY LIMITED	883,895	0.39%
Top 20 Shareholders	125,038,342	54.64%

C. SUBSTANTIAL SHAREHOLDERS

Substantial shareholders in the Company are set out below:

Ordinary Shares	Number Held	Percentage
BIRKETU PTY LTD	63,057,156	27.55%
AUST EXECUTOR TRUSTEES LTD <LANYON AUST VALUE FUND>	15,720,157	6.87%

D. VOTING RIGHTS

The voting rights attaching to each class of equity securities are set out below:

(a) Ordinary shares

On a show of hands every member present at a meeting in person, or by proxy, shall have one vote and upon a poll each share shall have one vote.

(b) Option over an ordinary share

No voting rights.

(c) Rights over an ordinary share

No voting rights.

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